GUANGZHOU R&F PROPERTIES CO., LTD.

Stock code: 2777

2024
ANNUAL REPORT

Contents

ABOUT R&F

Guangzhou R&F Properties Co., Ltd. (“R&F” or the “Company”, together with its subsidiaries, collectively the “Group”) was founded in 1994 and headquartered in Guangzhou. After over thirty years of development, the Company has become a conglomerate primarily engaged in property development, as well as diversified businesses including commercial operation, hotel development, culture, recreation and tourism, healthcare and architectural and engineering design. As of the end of 2024, the Group has total assets of approximately RMB290 billion and a land bank of saleable area of approximately 40 million sq.m. and hotels managed by well-known hotel management groups. Additionally, the Group has a total GFA of approximately 2 million sq.m. of investment properties under operation. The Group’s businesses cover over 145 cities and regions. For more than 30 years, the Group has adhered to a development strategy of “creating a quality living with the heartbeat of the city”, and strives to become a world leader in building quality of life.

	2024	2023	% Changes
OPERATING RESULTS (RMB'000)			
Revenue	17,701,425	36,238,835	-51%
Gross (loss)/profit	(823,900)	1,919,239	-143%
Losses attributable to owners of the Company	(17,709,538)	(20,164,485)	12%
Basic losses per share (RMB)	(4.7196)	(5.3738)	12%
FINANCIAL POSITION (RMB'000)			
Cash	3,863,809	5,742,606	-33%
Total assets	290,592,833	334,868,229	-13%
Total liabilities	262,136,118	288,476,067	-9%
FINANCIAL RATIOS			
Net assets per share (RMB)	4.2	9.0	-53%
Net debt to total equity ratio (%)	348.4	262.0	33%

Looking back over the past 12 months in 2024, China's economic environment and property sector endured successive years of challenging market conditions amidst a backdrop of global uncertainty affecting various sectors. Global factors such as geopolitical risk and trade conflicts created negative sentiment towards further investment leading to governments adopting a cautious approach to policy direction but setting a more positive tone to stimulus measures. China's GDP was stable at around 5% p.a. but not without a concerted effort by the Chinese Government to stimulate domestic consumption and encourage private sector investment whilst maintaining inflation pressures at acceptable levels. Despite China's economy exhibiting signs of gradual recovery, heading into 2025 the message coming out of from the Chinese Politburo meetings reinforced an emphasis on economic stability, domestic demand and consumption, and quality growth with particular attention in the technology sector to ensure GDP will maintain a solid growth in the coming years. To create multiple catalyst of stimulus, the Chinese Government has also relaxed entry conditions into China with foreign visa abolishment for short visits and multi-entry visas for tourist and visitors. Similarly, more and more businesses are expected to benefit from tax and investment incentives to setup or expand operations in China to create employment opportunities and attract investment capital which should have a positive domino effect to China's recovery.

China's property sector continues to exhibit mixed outlooks with financially stable government-owned companies solidifying their importance as a key player to stabilise the property sector which is an important pillar in the China's domestic growth. State-owned property companies continue to be well supported by banks and financial institutions to ensure a healthy property development profile to ensure sufficient activity levels to meet increasing end-user demand. At the other spectrum of the sector, smaller private developers face intense pressure to survive due to decline in property sales from negative buyer sentiment and their adversity to distressed asset risk. Faced with liquidity pressures and cash flow uncertainty, it is expected market dynamics over time will determine which property companies will have a solid foundation to overcome the current volatile operating market conditions. With regards to fundamental property sales, policy easing and government stimulus measures have mostly benefited secondary market transactions more than primary property sales due to perceived developer and completion risk. Top-tier cities over the past months have exhibited the greatest recovery in the sector due to a more mature and affluent market and higher recovery potential. As property sales are a key measure of financial stability, a broader recovery across various demographic buyers and cities is important to ensure a healthy long-term development of the sector.

The Group's performance over the past financial year continues to be subject to negative market conditions and remains objective focused. Primary development from new property sales were volatile month-to-month with inventory destocking and sales of completed inventory a key provider of cashflow and revenue contribution. The lower contribution of sales from primary developments are also due to low new starts resulting from constraints on construction financing and liquidity. The Group expects near-term liquidity will still be driven by continued destocking and sales of existing assets. The Group's financial situation is representative of other similar peers and will continue to engage with banks and creditors to extend maturities or restructure existing terms that reflective the market environment. During the last 12 months, the Group has had mixed successes trying to realise value from assets either through a well-managed asset disposal plan or broader restructuring proposal. In one instance, the Group successfully completed a highly value accretive disposal and restructuring whilst in another circumstance led to creditor groups exercising their rights to enforce on security due to a lack of viable options.

Earlier in the financial year, the Group successfully completed a complex and significant asset disposal and restructuring that resulted in monetisation of project value from disposal that formed part of a significant cancellation of senior secured notes at below par value. The overall restructuring consisted of a disposal of a major completed project in zone 1 of London UK to existing senior noteholders for cash and notes exchange as settlement consideration. The restructuring plan was complicated by the pressing deadline of adhering to project sales milestones that would have otherwise caused senior and mezzanine loans on the project to default and enforcement. To successfully execute the very substantial disposal, the Group simultaneously sought approval from three class of investors including shareholders, secured lenders and senior noteholders. Each class of investors were inter-reliant and subject to inter-conditional approvals and uncertainty from a disperse base of senior noteholders without a clear sense of whether they would approve or participation in the note swap to fund the acquisition of the project. Ultimately, the transaction was a resounding success, valuing the project disposal of approximately GBP1.6 billion, comprising approximately GBP800 million in cash to repay the project loan and cancellation of approximately nominal USD1.17 billion in senior secured notes at an average value of 46% below par. The resulting financial effect of the transaction reduced the financial liability of the Group by approximately RMB15 billion comprising loan and senior notes.

In contrast to the successful sale and restructuring of the Group's London project, the loan financing secured against a portfolio of hotels faced significant pressure from both onshore and offshore lenders to refinance or repay the acquisition loan. In late 2024, the standstill agreement on the offshore loan was terminated and demanded immediate repayment or enforcement would take place. After lengthy discussion with lenders and exploring viable options, the offshore security was unfortunately enforced and underwent receivership despite ownership remaining with the Group. As management control of the hotel assets were deemed to have changed, the financial effects were reflected in the financials for 2024. The Group continues to engage with lenders to consider viable options on the recovery of the outstanding hotel loan or a restructured loan agreement at which time the hotels can be reflected within the Group's asset profile.

The Outlook for 2025

Conservation of financial resources and ongoing liability management

The Group will remain focused on maintaining sufficient cash flow to sustain operations until a more resilient recovery in China's property sector. Contracted sales remain volatile month-on-month, but the Group will rely on sufficient inventory for sale to generate cash flow and revenue. Management expects the outlook for 2025 to still be challenging as policies introduced by the government will need time to filter through to the sector and confidence returns to buyers. Amidst the challenging conditions, the Group will conserve available liquidity for essential operational expenditure as well as discussions with creditors and banks.

Further asset sales to generate liquidity

During the past financial year, the Group has almost entirely monetised key overseas assets for restructuring and liability management. The remaining assets onshore and offshore continued to be marketed for sale with early success in 2025 from some countries have been encouraging. Current market conditions have led to difficulty in foreseeing the timing and success of asset sales, therefore, the Group has taken a more pragmatic approach to discussion of commercial terms and conditions for each asset sale. The Group has several ongoing discussions with buyers in various stages and hopes to conclude further assets disposals in 2025. If further asset sales are completed, this will serve to further reduce the Group's liabilities and provide further flexibility when considering alternatives when engaging creditors.

Ongoing liability management and restructuring of senior secured notes with significant support secured

Late in 2024, the Group initiated a restructuring exercise of outstanding senior notes equivalent to approximately USD4.53 billion across three tranches. Unlike prior consent solicitations, the current restructuring took the form of a scheme of arrangement whereby after securing sufficient noteholder support, the amended terms will be sanctioned by a court to affect the scheme. To seek support from noteholders, the Group launched a proposal containing three options of choice documented in a Restructuring Support Agreement (RSA) with the 1) first option being surrendering notes for an all cash at a steep discount, 2) second option a lessor discount and combination exchange of new senior notes and convertible notes into equity, and 3) third option issuance of longer dated senior notes with no discount to original nominal value. The options presented in the RSA represent an alternative exit of the distressed senior notes for investors whilst reflecting the perceived value of the notes currently trading in the market that were impacted by sector sentiment. Upon reaching the required threshold to pass the resolution and approval by the court, the Group would have significantly cancelled a large component of outstanding notes and successfully extended maturities to a later period. The Group, in conjunction with legal and financial advisors, will continue to engage investors to seek the requisite amount of support to move forward.

Acknowledgements

It's been another difficult period for the sector, but all signs point to a bottom. The past few negative market conditions have required management to stay focused on near-term deliverables whilst managing longer-term issues that are unresolvable in the current state of the recovery. The Group has also had to trim expenses and rationalise overhead costs that have exacerbated workload pressures already at its peak which I sincerely appreciate and admire in our management team. To our banks and creditors that have remained patient in ongoing discussions, we sincerely hope to reach a workable direction forward to focus on value creation. Lastly and most importantly to our shareholders, we reiterate our commitment to continue to persevere despite all the adversities and challenges this market presents. I view the worst of the challenges are behind us, but the toughest hurdle is overcoming the mindset to rebuild the Group for a stronger foundation which no doubt I and the management team have the commitment to undertake.

Li Sze Lim
Chairman

Contracted Sales

The Group's total contracted sales in 2024 were approximately RMB11.23 billion with 838,100 sq.m. sold. The contracted sales were generated from 187 projects in 105 cities of 26 provinces (including municipalities and autonomous regions) and 3 overseas countries. On a provincial and regional basis, contracted sales of Guangdong, Overseas, Beijing, Shanxi, Hainan, Tianjin, Shaanxi, Inner Mongolia, Hebei and Jiangsu were the highest top 10, which contributed approximately RMB9.23 billion, accounting for approximately 82% of total contracted sales of the Group. In term of city, contracted sales of tier-1 and tier-2 cities accounted for 63% of total contracted sales. Tier-3 and below cities contributed 22% of total contracted sales and overseas contributed 15%. On the type of property, 43% of total contracted sales were generated from residential properties, 3% from villa and 54% from commercial properties and others, including office, apartment and retail, etc..

Area	**Approximate total value** *(RMB million)*	**Approximate total saleable area sold** *(Thousand sq.m.)*
Northern China	2,461.8	229.2
Northwestern China	1,995.0	237.8
Southern China	2,908.9	119.8
Eastern China	669.3	40.0
Southwestern China	480.2	44.4
Hainan	667.6	39.1
Central Southern China	332.3	39.3
Overseas	1,709.9	88.5
Total	**11,225.0**	**838.1**

Top 10 Provinces and Regions with highest Contracted Sales	Approximate total value *(RMB million)*	Approximate total saleable area sold *(Thousand sq.m.)*
Guangdong Province	2,908.5	120.3
Overseas	1,709.8	88.7
Beijing	1,007.5	73.2
Shanxi Province	692.9	81.4
Hainan Province	667.7	39.2
Tianjin	599.3	67.4
Shaanxi Province	556.0	51.2
Inner Mongolia	529.3	82.9
Hebei Province	298.2	35.6
Jiangsu Province	257.8	10.0
Total	**9,227.0**	**649.9**

Properties Under Development

By the end of 2024, the Group's total GFA under development was approximately 11,105,000 sq.m. and the total saleable area is approximately 7,003,000 sq.m..

The following is the position as at 31 December 2024:

Area	Approximate total GFA *(sq.m.)*	Approximate total saleable area *(sq.m.)*
Northern China	1,646,000	886,000
Eastern China	971,000	373,000
Northwestern China	3,475,000	2,206,000
Southern China	2,713,000	2,115,000
Central Southern China	666,000	415,000
Southwestern China	405,000	131,000
Hainan	137,000	116,000
Overseas	854,000	566,000
Sub-total	**10,867,000**	**6,808,000**
Investment Properties	238,000	195,000
Total	**11,105,000**	**7,003,000**

Land Bank

During the period, the total saleable area of the new land of the Group was approximately 31,000 sq.m.. As at 31 December 2024, the Group's total land bank was approximately 51,254,000 sq.m. in GFA and 39,651,000 sq.m. in saleable area, distributed across 87 cities and regions across China and overseas. Details are as follows:

Area	Approximate total GFA *(sq.m.)*	Approximate total saleable area *(sq.m.)*
Development Properties		
Northern China	12,441,000	9,672,000
Eastern China	3,993,000	3,016,000
Northwestern China	11,767,000	8,842,000
Southern China	6,351,000	5,196,000
Central Southern China	5,375,000	4,449,000
Southwestern China	4,247,000	3,243,000
Hainan	1,977,000	1,844,000
Overseas	3,551,000	2,129,000
Sub-total	**49,702,000**	**38,391,000**
Investment Properties	1,552,000	1,260,000
Total	**51,254,000**	**39,651,000**

Property Investment

The Group's investment properties portfolio mainly located in tier-1 and tier-2 cities, including Grade-A office buildings, shopping malls, various retail properties and theme park etc.. The Group's investment properties portfolio as at 31 December 2024 was approximately 3,449,100 sq.m. in total GFA, among which total GFA of investment properties under operation is approximately 1,871,100 sq.m., and total GFA under development or planning was approximately 1,578,000 sq.m..

Hotel Operation

As of 31 December 2024, the Group has 22 self-build hotels with total GFA of approximately 1,110,560 sq.m. and 7,513 hotel rooms. The 22 hotels are managed by well-known hotel management groups such as Marriott International, Inc., InterContinental Hotels Group, Hilton Worldwide Holdings Inc., Hyatt Hotels Corporation, Accor Hotels.

The Group places significant importance on investor relations and continuously optimize the corporate governance framework, aiming to comprehensively deepen investors' understanding and recognition of the Group, and strive to maximize the Company's overall interests while safeguarding investors' legitimate rights and interests. To this end, the Group remains highly attuned to voices from the capital markets and endeavors to establish a robust and efficient communication bridge with industry analysts and institutional investors through timely and accurate information disclosures and multi-dimensional exchanges.

In 2024, the Group's investor relations team maintained long-term relationships with existing shareholders and bond investment institutions through active and open dialogues, while actively engaging with and expanding potential investment institutions. Through close collaboration with the investment community, we clearly communicated the Group's operational and financial performance.

Regarding investor communication and interaction, the Group values every opportunity to engage with investors. In 2024, the Group continued to actively organize investor site visits and face-to-face meetings, and maintained regular interactions through video conferences, telephone calls, and email communications. These initiatives aimed to enhance the investment community's understanding of industry developments, future trends, and the macroeconomic environment, as well as clarify the Group's strategies to address current and future challenges.

During the year, the Group announced its 2023 Annual Results and 2024 Interim Results. Additionally, the Group regularly released updates on its operations through announcements, press releases, and corporate website news to proactively and timely communicate its latest business performance.

Concurrently, the investor relations team also fulfilled regulatory requirements by providing operational and financial data to relevant authorities and completing the mandated reporting obligations.

In 2024, the Group remained focused on liquidity management and debt risk mitigation. During the year, the Group recorded contracted sales of approximately RMB11.2 billion, recurring income from hotels and investment properties of approximately RMB5.4 billion, and completed construction of a total GFA of approximately 2.41 million sq.m.. Meanwhile, the Group actively advanced project disposals and asset sales to reduce financial risks, total debt, and overall financial leverage.

The Group extends its heartfelt gratitude to all investors and shareholders for your ongoing constructive feedback and suggestions, which serve as a cornerstone of the Group's continuous progress. We also thank real estate analysts for their dedicated efforts in providing professional and in-depth research, fostering a transparent and clear market environment for both the industry and the Group. Looking ahead, the Group looks forward to collaborating with all stakeholders to continuously elevate the standards of investor relations services.

Revenue

The revenue of the Group is mainly derived from property development, rental of investment properties and hotel operation. In 2024, due to the continued downturn in the real estate industry in the PRC, the Group's revenue from property development decreased by 59% to RMB11.517 billion, from RMB27.811 billion in the previous year. The revenue for the year was based on the delivery of 1,693,000 sq.m., which was 44% lower than the delivery of 3,000,000 sq.m. in the previous year. Overall average selling price was approximately RMB6,800 per sq.m. (2023: RMB9,270 per sq.m.).

Rental income from property investment was RMB833 million (2023: RMB827 million). Revenue from hotel operations decreased to RMB4.373 billion from RMB6.365 billion in the previous year.

Cost of sales

Cost of sales of the Group primarily represents the costs directly incurred for the Group's property development activities. The component of cost of sales includes land and construction costs, capitalised finance costs and levy taxes. In 2024, cost of sales of the Group was RMB18.525 billion, representing a decrease of 46% when compared with RMB34.320 billion in the previous year. The decrease in cost of sales was consistent with the reduction in revenue from property development.

During the year, land and construction costs made up 84% of the total costs of property development. In terms of costs per sq.m., land and construction costs decreased to RMB5,430 from RMB7,030. Capitalised interest included in the cost of sales amounted to RMB1.568 billion (2023: RMB2.847 billion), 14% as a percentage of revenue from sale of properties. The cost of sales also included RMB243 million (2023: RMB226 million) as levy taxes.

Gross Profit Margin

The Group recorded a gross loss of RMB824 million for the year ended 31 December 2024, compared to a gross profit of RMB1.919 billion in the previous year. The gross loss incurred for the year was mainly due to a provision of approximately RMB2.643 billion for inventory impairment. Excluding the provision for inventory impairment, the gross profit margin for property development was 4.4%, compared to 13.1% in 2023.

Other Income/Expense and Other Losses – net

In 2024, other income/expenses and other losses – net mainly consist of interest income, fair value losses on investment properties, gains/losses on the disposal of subsidiaries, an associate and joint ventures as well as losses on derecognition of then subsidiaries. During the year, the Group recorded a net loss of RMB3.421 billion for other income/expenses and other losses (2023: net loss of RMB3.584 billion).

Selling and Marketing Costs and Administrative Expenses

During the year, the Group's selling and marketing costs decreased by 28%, from RMB1.465 billion in 2023 to RMB1.061 billion. Similarly, administrative expenses dropped from RMB4.486 billion in 2023 to RMB3.429 billion. These decreases were primarily due to the stringent cost control measures implemented by the Group to address liquidity pressures. The main component of administrative expenses was personnel costs.

Finance Costs – net

Finance costs – net, representing interest expenses incurred during the year after deducting amounts capitalised to development costs, decreased by 5% to RMB5.909 billion (2023: RMB6.240 billion). Total interest expenses incurred during the year decreased from RMB10.903 billion in the previous year to RMB9.696 billion, in line with the decrease in total borrowings. Including RMB1.568 billion charged to the cost of sales related to capitalised interest, the total finance costs incurred during the year amounted to RMB7.477 billion (2023: RMB9.087 billion).

Income Tax Expenses

Income tax expenses of the Group primarily include land appreciation tax (LAT) and enterprise income tax. The total income tax expenses for the year ended 31 December 2024 was RMB2.514 billion (2023: RMB5.832 billion). Out of the amount, LAT accounted for RMB1.634 billion (2023: RMB2.397 billion) and enterprise income tax accounted for RMB301 million (2023: RMB955 million).

Profitability

The Group recorded a net loss of RMB17.789 billion for the year ended 31 December 2024 as compared to a net loss of RMB19.947 billion for the year ended 31 December 2023. The net loss for the year was mainly attributable to the following factors: (i) the continued downturn in the real estate industry in the PRC, which resulted in a decrease in revenue and gross profit generated from property development; (ii) further impairment provision for properties under development and completed properties held for sale; and (iii) losses incurred from the derecognition of then subsidiaries.

Financial Resources, Liquidity and Liabilities

As at 31 December 2024, the Group's total cash including amounts restricted for specified usage was RMB3.864 billion (31 December 2023: RMB5.743 billion), of which 77% was denominated in Renminbi and 23% was denominated in other currencies (mainly in US dollar, HK dollar, Australian dollar, Malaysian Ringgit and British pound).

As at 31 December 2024, the Group's total borrowing was RMB103.018 billion (31 December 2023: RMB127.304 billion), of which due within 1 year, between 1 and 5 years and over 5 years were amounted to RMB94.142 billion, RMB6.812 billion and RMB2.064 billion respectively. The total borrowings were made up of financing from sources which included (i) bank borrowings, (ii) senior notes, (iii) domestic bonds, and (iv) trust loans and other borrowings, each accounted for 45%, 31%, 12%, 12% respectively (31 December 2023: 42%, 30%, 10%, 18% respectively).

During the year ended 31 December 2024, bank loans repaid in the year amounted to RMB1.627 billion while new bank loans of RMB2.324 billion were procured. In addition, the disposals of two subsidiaries resulted in a reduction of RMB8.032 billion in bank borrowings. The effective interest rate of the total bank loan portfolio at 31 December 2024 was 5.64% (2023: 5.58%).

The gearing ratio is measured by the net borrowings (total borrowings less total cash and cash equivalents and restricted cash) to total equity. As at 31 December 2024, the gearing ratio was 348.4% (31 December 2023: 262.0%).

The Group conducts its business primarily in Renminbi and non-Renminbi borrowings accounted for approximately 33% of total borrowings. The Group will closely monitor the fluctuations of the RMB exchange rate and give prudent consideration as to entering into any currency swap arrangement as and when appropriate for hedging corresponding risks. As at 31 December 2024, the Group has not entered into any foreign exchange hedging transactions.

As for interest rate, RMB bank loans were at normally stable floating interest rates benchmarked to rates published by the People's Bank of China. The fixed rate senior notes, domestic bonds and other borrowings further reduced interest rate exposure and therefore no interest rate hedging arrangements had been put in place.

Debt Profile

	Due within				
	1 year	**1-2 years**	**2-5 years (RMB million)**	**over 5 years**	**Total**
Bank borrowings	40,891	1,252	1,817	2,064	46,024
Senior notes	32,251	–	–	–	32,251
Domestic bonds	8,976	3,487	–	–	12,463
Other borrowings	12,024	256	–	–	12,280
	94,142	4,995	1,817	2,064	103,018

Charge on assets

As at 31 December 2024, assets with total carrying values of RMB66.32 billion (31 December 2023: RMB101.99 billion) and the Group's shares of certain subsidiaries were pledged to secure bank loans and other borrowings amounting to RMB54.69 billion (31 December 2023: RMB71.25 billion).

Contingent liabilities

The Group provided guarantees in respect of bank mortgage loans taken out by purchasers of the Group's sale properties and joint liability counter-guarantees for certain borrowings granted to the Group's jointly controlled entities and associates for project development purpose. For guarantees provided in respect of residential properties, the guarantees are released upon the issuance of real estate ownership certificates for the properties concerned. As at 31 December 2024, such guarantees totaled RMB62.75 billion (31 December 2023: RMB76.46 billion).

Very Substantial Disposal

On 15 April 2024, R&F Properties (HK) Company Limited ("R&F HK", a subsidiary of the Company) as seller and London One Limited (the "Purchaser") as purchaser entered into a sale and purchase agreement (the "Agreement") pursuant to which R&F HK would conditionally agree to sell the entire issued share capital of R&F International Real Estate Investment Co. Limited (the "Target Company", a subsidiary of the Company which indirectly holds the property at 1 Nine Elms Lane, London SW8 5NQ) (the "Sale Shares") and assign the entire loan owing by the Target Company to R&F HK as at completion (the "Sale Loan") and the Purchaser would conditionally agree to acquire the Sale Shares and take assignment of the Sale Loan (the "Transaction"). The consideration for the Sale Shares is HKD1.00 to be settled in cash, and the consideration for the Sale Loan is all the existing notes (the "Existing Notes") issued by Easy Tactic Limited, a subsidiary of the Company, with minimum principal amount of USD800,000,000 to be received by the Purchaser under the exchange offers conducted by the Purchaser. The Transaction constituted a very substantial disposal for the Company under Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and was subject to the reporting, announcement and shareholders' approval requirements. Conditions to completion of the Transaction included but not limited to (i) the approval of the Agreement and the transactions contemplated thereunder by the shareholders of the Company at the extraordinary general meeting of the Company held on 18 March 2024 and (ii) the approval of the extraordinary resolution by the requisite majority of holders of each series of the Existing Notes on 5 April 2024, and completion of the Transaction took place on 8 May 2024.

Upon completion, the existing loans of the Target Company and its subsidiaries have been fully discharged with funds provided or arranged by the Purchaser and principal amount of USD1,170,484,296 of the Existing Notes have been cancelled. The Transaction helped ease the liability and interest burden of the Group, thereby enhancing the overall financial position of the Group.

Employee and Emolument Policies

As of 31 December 2024, the Group had approximately 21,819 employees (31 December 2023: 25,143). The total staff costs incurred were approximately RMB1.759 billion during the financial year ended 31 December 2024. The Company's emolument policy is to ensure that the remuneration offered to employees including executive directors and senior management is based on skill, knowledge, responsibilities and involvement in the Company's business affair. The remuneration of executive directors is also linked with business performance and profitability of the Company and the market conditions. Directors and senior management would not be involved in deciding their own remuneration.

The Company is committed to good corporate governance practices, believing that they enhance shareholder value. The corporate governance practices adopted by the Company place a focus on maintaining a high-quality board, effective internal controls, a high level of transparency and full accountability to shareholders. Throughout the year ended 31 December 2024, the Company complied with all relevant laws and the code provisions of the Corporate Governance Code (the "Code") as set out in Appendix C1 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

THE BOARD

The board of directors (the "Board") is charged with providing overall leadership for and effective control over the Company in a way that maximizes financial performance and shareholder value. The Board formulates business policies and strategies for the Group, including dividend policy and risk management strategies. It is also responsible for implementing internal controls and monitoring their effectiveness. The day-to-day execution of the Board's policies and strategies is delegated to the Company's executive directors and a team of designated senior management.

The Board is well-diversified in terms of gender, industry experience, professional expertise and education background. As at 31 December 2024, the Board consisted of nine directors, including four executive directors: Dr. Li Sze Lim, Chairman, Mr. Zhang Hui, Mr. Xiang Lijun and Mr. Zhao Feng; two non-executive directors: Ms. Zhang Lin and Ms. Li Helen; and three independent non-executive directors: Mr. Zheng Ercheng, Mr. Ng Yau Wah, Daniel and Mr. Wong Chun Bong. Biographical details of the directors and their relationships, if any, are set out on pages 34 to 35 of this annual report.

All directors, including non-executive directors and independent non-executive directors, have devoted sufficient time and effort to the business affairs of the Company. The Board believes that the ratio of executive directors to non-executive directors is reasonable, and provides checks and balances that are sufficient to safeguard the interests of shareholders and of the Group. The Board also believes that the independent judgements offered by non-executive directors and independent non-executive directors on issues relating to the Company's strategies, performances, conflicts of interest and management processes are valuable for protecting the interests of the Company's shareholders. The term of office of all directors shall be three years. Upon maturity of the current term of office, a director shall be eligible to offer himself/herself for re-election and reappointment.

All directors of the Company have access to timely information about the Group's business and are able to make further enquiries whenever necessary. They also have unrestricted access to the advice and services of the company secretary, who is responsible for providing directors with board papers and related materials. The Board has also agreed that any director may seek independent professional advice on issues relating to the Group's business at the Company's expense.

The Company has subscribed appropriate and sufficient insurance coverage on directors' liabilities in respect of legal actions against the directors arising out of corporate activities.

Chairman

The Chairman, Dr. Li Sze Lim, provides leadership and oversees the Board's jobs and performances. He is responsible for the Board's effectiveness by ensuring that all key issues are discussed within the Board in a timely and informed manner, and that the Board adopts good corporate governance practices.

There is no position of the chief executive officer in the Company. The responsibilities of the chief executive officer is currently performed collectively by the executive directors, including the Chairman, who meet from time to time to manage the operations of the Company. The Board considers that this arrangement allows contributions from all executive directors with different expertise and is beneficial to the Company.

The Chairman from time to time holds meetings with independent non-executive directors without the presence of other directors.

Independent Non-executive Directors

Pursuant to the requirement of Rule 3.10 of the Listing Rules, the Company has three independent non-executive directors, one of whom has appropriate professional qualifications in accounting and financial management. The Company was not informed or aware of any circumstances which might affect the independence of the independent non-executive directors. The nomination committee of the Board has also conducted an annual review of the independence of all independent non-executive directors of the Company. The Company is of the view that all the independent non-executive directors satisfied the requirement of independence as set out in Rule 3.13 of the Listing Rules and considers all of them to be independent.

The Company has maintained an updated list of its directors identifying their roles and functions on websites of the Company and the Stock Exchange. Independent non-executive directors are identified in all corporate communications that disclose the names of directors.

An Independent Board

The Company has in place the below mechanisms to ensure that independent views and input are available to the Board. During the year, the Board has reviewed such mechanisms and considered that such mechanisms remain effective in maintaining a strong independent element on the Board.

- The Board has three independent non-executive directors and at least one-third of its members are being independent non-executive directors.
- The nomination committee will assess the independence of the independent non-executive directors on an annual basis by reference to the independence criteria set out in the Listing Rules to ensure that they continue to exercise independent judgement.
- Directors may seek independent professional advice on issues relating to the Group's business at the Company's expense.
- The Chairman of the Board from time to time holds meetings with the independent non-executive directors without the presence of other directors.
- A director who has a material interest in a contract, transaction or arrangement will abstain from voting on any Board resolutions approving the same.
- Two-third of the members of the audit committee, the remuneration committee and the nomination committee are being independent non-executive directors.
- None of the independent non-executive directors receive remuneration based on performance of the Group.

BOARD MEETINGS

The Board held four meetings during the year under review, and the attendance records of the directors are set out below:

Directors	Meetings attended/Total
Executive Directors	
Li Sze Lim	4/4
Zhang Hui	3/4
Xiang Lijun	4/4
Zhao Feng *(appointed with effect from 31 May 2024)*	3/3
Non-executive Directors	
Zhang Lin	4/4
Li Helen	4/4
Independent Non-executive Directors	
Zheng Ercheng	4/4
Ng Yau Wah, Daniel	4/4
Wong Chun Bong	4/4

During these Board meetings, the directors discussed matters relating to business policies and strategies, corporate governance, financial, risk management and internal control systems. They also reviewed the interim and annual financial results and other relevant matters. All directors are urged to participate in these Board meetings in person, but those who are unable to attend in person can also participate via electronic means. According to the articles of association of the Company (the "Articles of Association"), directors participating by electronic means are deemed to have physically attended the Board meeting.

Notice for Board meetings are given to all directors at least 14 days prior to the date of a meeting. All directors are given the opportunity to include any matter they would like to discuss in the agenda.

The company secretary assists the Chairman in preparing the agenda for the Board and Board committees' meetings and ensure that all applicable rules and regulations are followed. He also prepares detailed minutes of each meeting. After the meeting, the draft minutes are circulated to all or related directors for comment as soon as practicable. All Board members are given a copy of the final approved minutes.

Should a matter being considered involves a potential conflict of interest for a director, the director concerned will abstain from voting.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors acknowledge their responsibility for preparation of the financial statements for the financial year ended 31 December 2024 which give a true and fair view of the state of affairs of the Company and of the Group at that date and of the Group's results and cash flows for the year then ended and are properly prepared on the going concern basis in accordance with the applicable statutory requirements and accounting standards.

The statement of the external auditor of the Company about its reporting responsibilities on the financial statements is set out in the "Independent Auditor's Report" contained in this annual report.

As a result of the possible effects of the matter described in the section headed "Basis for Disclaimer of Opinion" in the "Independent Auditor's Report" on pages 39 to 42 of this annual report, the Company's independent auditor, BDO Limited (the "Auditor"), expressed a disclaimer opinion on the Group's consolidated financial statements for the year ended 31 December 2024 (the "Disclaimer Opinion").

The board of directors of the Company (the "Board") and Group's management (the "Management") have given careful consideration to the future liquidity and performance of the Group and its available sources of financing within the next 18 months from 31 December 2024 in assessing whether the Group will have sufficient financial sources to continue as a going concern and the appropriateness of the use of the going concern basis in the preparation of the consolidated financial statements. The Management has formulated plans and measures to enable the Group to have sufficient financial resources to meet its financial commitments as and when they fall due, details of which are set out in note 2.1(c) to the consolidated financial statements as contained in this annual report (the "Plans"). Subject to, among others, successful implementation of the Plans, including but not limited to the restructuring plan of its offshore debt, discussions with the relevant lenders to extend or refinance the outstanding borrowings, assets disposals, settlement of outstanding litigations, acceleration of presales and sales of properties and collection of outstanding sales proceeds, and costs control, the Management takes the view that the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the next 12 months from 31 December 2024.

These indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern, and therefore the Group may not be able to realise its assets and discharges its liabilities in the normal course of business (the "Going Concern Issue"). As a result of these multiple uncertainties, the potential interaction of these uncertainties, and the possible cumulative effect thereof, the Auditor was unable to form an opinion as to whether the going concern basis of preparation is appropriate.

The Board has discussed the Going Concern Issue with the Management and is satisfied that on the basis of successful implementation of the Plans, it is appropriate to prepare the consolidated financial statements on a going concern basis.

The Audit Committee has discussed with the Board and the Management regarding the Going Concern Issue, agreed with the position taken by the Management and the Board regarding the Going Concern Issue. The Audit Committee also discussed and understood the concerns of the Auditor that uncertainties exist as to whether Management will be able to achieve the Plans. There is no disagreement by the Board, the Management nor the Audit Committee with the position taken by the Auditor regarding the Going Concern Issue and the Disclaimer Opinion.

Further details on the material uncertainties relating to the Group's going concern and their mitigation measures are set out in note 2.1(c) to the consolidated financial statements as contained in this annual report.

BOARD COMMITTEES

The Company currently maintains three Board committees with defined terms of reference which are posted on the websites of the Company and the Stock Exchange. The meetings of the Board committees adopt the practices used in the Board meetings.

Audit Committee

The audit committee was established with written terms of reference in accordance with Appendix C1 to the Listing Rules. As at the date of this report, the committee is made up of three members: a non-executive director, Ms. Li Helen, and two independent non-executive directors, Mr. Zheng Ercheng and Mr. Wong Chun Bong. The chairman of the committee is Mr. Wong Chun Bong, who has professional accounting qualifications and expertise in financial management.

The Board is responsible for presenting a clear and balanced assessment of the Group's performance, results and prospects. The audit committee is delegated by the Board to be responsible for reviewing the accounting policies and practices adopted by the Group as well as reviewing internal control, risk management and financial reporting matters of the Group. It is also tasked with coordinating with external auditors in respect of the annual audit on matters such as the scope of the audit and any issues arising from it; making recommendations to the Board on appointing or removing external auditors; and considering their remuneration and terms of engagement.

The audit committee held three meetings during the year. Following Board practice, minutes of these meetings were circulated to all members for comment, approval and record as soon as practicable after each meeting. There was no disagreement between the Board and the audit committee regarding the reappointment of external auditors. The audit committee has reviewed the annual results for the year ended 31 December 2023 and the interim results for the six months ended 30 June 2024 of the Company and discussed with the management and/or the Company's auditor the accounting policies and practices adopted by the Group, internal control, risk management and financial reporting matters of the year.

The attendance records of individual committee members are set out below:

Committee members	Meetings attended/Total
Wong Chun Bong	3/3
Li Helen	3/3
Zheng Ercheng	3/3

Remuneration Committee

The remuneration committee was established with written terms of reference in accordance with Appendix C1 to the Listing Rules. As at the date of this report, the committee comprises three directors: Dr. Li Sze Lim, an executive director, and two independent non-executive directors, Mr. Zheng Ercheng and Mr. Ng Yau Wah, Daniel. Mr. Zheng Ercheng is the chairman of the committee.

The remuneration committee is responsible for formulating and recommending to the Board on policy regarding remuneration-related matters including, among others, bonus structures and provident funds. The Company's remuneration policy is designed to ensure that the remuneration offered to employees, including executive directors and senior management, is based on factors such as levels of skill, knowledge, responsibility and involvement in the Company's affairs. The remuneration of executive directors is also linked to the Company's business performance and profitability in the context of the prevailing market conditions. The committee makes recommendations to the Board on the remuneration packages of executive directors and senior management. Individual director and senior management are not involved in determining their own levels of remuneration.

During the year, the remuneration committee held one meeting, in which it reviewed the Company's remuneration policies and made recommendation to the Board on the remuneration of Mr. Zhao Feng, an executive director appointed during the year.

For the year ended 31 December 2024, the remuneration (before taxation) of the senior management by band is set out below:

Remuneration band (RMB)	Number of person
0-4,000,000	7

Further particulars regarding the directors' emoluments as required to be disclosed pursuant to Appendix D2 of the Listing Rules are set out in Note 41 to the financial statements.

The attendance records of individual committee members are set out below:

Committee members	Meetings attended/Total
Zheng Ercheng	1/1
Li Sze Lim	1/1
Ng Yau Wah, Daniel	1/1

Nomination Committee

The nomination committee has been established with written terms of reference in accordance with Appendix C1 to the Listing Rules. As at the date of this report, the committee comprises three directors: Dr. Li Sze Lim, an executive director, and two independent non-executive directors, Mr. Zheng Ercheng and Mr. Wong Chun Bong. Dr. Li Sze Lim is the chairman of the committee.

The nomination committee is responsible for the formulation of nomination policy for the consideration of the Board and implementing the policy approved by the Board. The nomination policy sets out the procedures and criteria for selecting and recommending candidates for directorship. Specific responsibilities of the nomination committee include, among others, review the structure, size and composition of the Board according to the Board diversity policy (the "Board Diversity Policy"), identify and nominate candidates to fill casual vacancies of directors and make recommendations to the Board in respect of succession planning.

During the year, the nomination committee held one meeting, and the attendance records of individual committee members are set out below:

Committee members	Meetings attended/Total
Li Sze Lim	1/1
Zheng Ercheng	1/1
Wong Chun Bong	1/1

During the year under review, the nomination committee had reviewed the structure, size and composition of the Board and considered the retirement and re-appointment of the directors and supervisor in the Company's general meeting, and also made recommendation to the Board to appoint Mr. Zhao Feng as the executive director of the Company. It has also reviewed the Board Diversity Policy to ensure its effectiveness.

BOARD DIVERSITY POLICY

The Company has adopted the Board Diversity Policy since November 2015 which sets out the approach by the Company to achieve diversity on the Board. Under the Board Diversity Policy, selection of candidates for appointment to the Board will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, length of service or professional experience. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

As at 31 December 2024, the Board comprised seven male directors and two female directors. The Board members involve different age groups, gender, professional experience, skills and length of service. At workforce level, the male to female ratio is 65%:35% in 2024. The current gender diversity of workforce was appropriate taking into account the operational needs. The Company will continue to monitor the gender diversity to meet its corporate objectives.

For the year ended 31 December 2024, the nomination committee and the Board (on the recommendation of the nomination committee) considers that gender diversity in respect of the Board is satisfactory and that the Board composition is balanced and diverse. Therefore, the nomination committee did not set any measurable objectives for implementing the Board Diversity Policy during the year under review. The nomination committee and the Board (on the recommendation of the nomination committee) will review the Board Diversity Policy on a regular basis to ensure its effectiveness.

DIVIDEND POLICY

The Company has adopted a dividend policy (the "Dividend Policy") which sets out, inter alia, the factors in determining dividend payment. The Board will review the Dividend Policy, as appropriate, in order to maintain a balance between the expectations of shareholders and prudent capital management.

CORPORATE GOVERNANCE FUNCTIONS

In the year, the Board had:

(a) developed and reviewed the Company's policies and practices on corporate governance;

(b) reviewed and monitored the training and continuous professional development of directors and senior management;

(c) reviewed and monitored the Company's policies and practices on compliance with legal and regulatory requirements;

(d) reviewed and monitored the code of conduct applicable to employees and directors; and

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

DIRECTORS' TRAINING

The Company would provide a comprehensive induction package to each newly appointed director to ensure that he/she has a proper understanding of the Group's operations and is sufficiently aware of his/her responsibilities and obligations under the relevant statutes, laws, rules and regulations. Mr. Zhao Feng, who was appointed as executive director on 31 May 2024, has obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 8 May 2024. Mr. Zhao has confirmed that he understood his obligations as a director.

The directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The company secretary provides the directors with updates on latest changes and developments in the Listing Rules, corporate governance practices and other relevant legal and regulatory requirements from time to time.

During the year, all directors are provided with training materials on regulatory matters. A summary of training of directors is as follow:

Name of Directors	Type of Continuous Professional Development Training on corporate governance, regulatory development and other relevant topics
Executive Directors	
Li Sze Lim	√
Zhang Hui	√
Xiang Lijun	√
Zhao Feng *(appointed with effect from 31 May 2024)*	√
Non-executive Directors	
Zhang Lin	√
Li Helen	√
Independent Non-executive Directors	
Zheng Ercheng	√
Ng Yau Wah, Daniel	√
Wong Chun Bong	√

SUPERVISORY COMMITTEE

The supervisory committee of the Company consists of three members, including two supervisors who represent shareholders, Mr. Zhao Xianglin and Mr. Zhang Yucong, and one who represents employees, Mr. Chen Liangnuan. The supervisors effectively performed their supervisory duties relating to the Company's operations.

During the year, the supervisory committee held two meetings, and the attendance records of individual committee members are set out below:

Committee members	Meetings attended/Total
Chen Liangnuan	2/2
Zhao Xianglin	2/2
Zhang Yucong	2/2

RE-ELECTION OF DIRECTOR

All directors and supervisors have entered into a service contract with the Company for a specific term of three years. They are all subject to retirement from office by rotation and re-election at the general meeting once every three years in accordance with the Articles of Association.

The term of office of Ms. Zhang Lin, a non-executive director of the Company is about to expire, she, being eligible, has offered herself for re-election at the forthcoming 2024 annual general meeting ("AGM").

SECURITIES TRANSACTIONS OF DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") laid out in Appendix C3 to the Listing Rules as the code of conduct for directors and supervisors in any dealings in the Company's securities. The Company has made specific enquiries of each director and supervisor, each of whom has confirmed their compliance with the Model Code during the financial year ended 31 December 2024.

AUDITOR'S REMUNERATION

BDO Limited ("BDO") is the Company's external auditor. During the year, the firm had not been engaged to perform any other work that could have conflicted with its role as auditor of the Company or otherwise compromised its independence.

The audit committee has recommended to the Board, and the Board has accordingly agreed, to propose the reappointment of BDO as the external auditor of the Group until the date of the next AGM, pending approval by shareholders at the forthcoming 2024 AGM. During the year, the remuneration paid to BDO in respect of audit services was RMB4.7 million whilst no non-audit services was performed. Audit services include the review of financial information.

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

The Board, with the assistance of the audit committee, is responsible for maintaining the internal control and risk management systems effectively to protect the Group's assets and its shareholders' interests. The Company's internal control and risk management systems are embedded within its various operational departments.

The systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Company has an internal audit function. The Group's system of internal control includes a well-established corporate structure and an organization with clearly defined lines of responsibility and authority, which are set out in writing in an operation manual where appropriate. Each department is responsible for its daily operations, and is required to implement the strategies and policies adopted by the Board. Each department has a responsibility to effectively use the Company's resources so as to avoid misappropriation or damage to assets, and to prevent errors and fraud. The Board has set up some independent monitoring departments to assist it to closely monitor the implementation of the Company's internal control system on an ongoing basis and assessing their effectiveness. The scope of surveillance covers project development, tendering, sales and leasing, financial reporting, human resources and computer systems. Issues identified are reverted back to the relevant department who will then assess the underlying causes of such issues and improve the internal control procedure so as to ensure that the same issue will not occur in the future. The monitoring departments have not identified any material errors, frauds or non-compliance of the Group's policies and procedures based on its work during the year.

Subsequent to the reporting period, the Company has also taken the following measures to tighten its internal control procedures, which include but not limited to: (i) maintain a list of connected persons of the Company and arrange for updates on a regular basis; (ii) require the relevant personnel of the Group to perform KYC procedures on the counterparty to the transaction including the ownership details of the counterparty before the entering into of a transaction, to ascertain whether the counterparty(ies) may in anyway relate to any of the directors, substantial shareholders, chief executives or supervisors of any member of the Group (including their relatives and related trusts or companies); (iii) require the relevant personnel of the Group to comply with the internal approval process for transactions, in particular, the requirement that any notifiable and/or connected transaction needs to go through the required internal process of the Group and be approved by the Board before the agreement can be executed; (iv) require the relevant personnel of the Group to seek advice from the compliance personnel of the Group in case of doubt, and will seek external advice from legal and/or other professional advisors before entering into any transactions when appropriate and necessary; and (v) enhance the communication, coordination and reporting arrangements among the relevant departments of the Group to supervise and monitor the Company's continued compliance with the Listing Rules. The Company will also carry out internal training programs in a timely manner to explain the provisions of the relevant Listing Rules and emphasize the importance of complying with such provisions.

The Board, as a pivotal component of an effective risk governance framework, enhances its accountability with regard to risk management. A risk management system is well-established and implemented throughout the Group. The Board, with the assistance of audit committee, collect the information from the reporting procedure of the risk management system. Risks that would significantly affect the Group are identified, assessed and prioritised. Plans are then established to mitigate those risks that are significant.

The Company takes every precaution in its handling of inside information. The Company has implemented a set of guidelines formally adopted by the Board on 20 March 2014 which aims to prevent inadvertent or selective dissemination of inside information and above all, to ensure compliance of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "SFO"), in relation to the disclosure of inside information.

The Board oversees the internal control and risk management systems on an ongoing basis and has conducted an interim and annual review of the effectiveness of the internal control and risk management systems of the Group for the six months ended 30 June 2024 and for the year ended 31 December 2024. It believes that the existing internal control and risk management systems are effective and adequate, and the resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting functions are adequate.

COMPANY SECRETARY

The company secretary is a full time employee of the Company and has day-to-day knowledge of the Company's affairs. For the year under review, he has confirmed that he has undertaken enough hours of relevant professional training.

SHAREHOLDERS' RIGHTS

The proceedings of the AGM are reviewed periodically to ensure that shareholders' rights are maintained. Notice of the AGM, setting out details of each proposed resolution, voting procedures and other relevant information, is sent to all shareholders prior to the date of the meeting in accordance with the relevant rules and regulations.

Voting of shareholders at general meeting will be taken by poll in accordance with the Listing Rules, unless otherwise required and permitted. Detailed procedures for conducting a poll will be explained to the shareholders at the beginning of general meeting to ensure that shareholders are familiar with such voting procedures. Separate resolution will be proposed by the chairman of general meeting in respect of each substantial issue. The poll results will be posted on the websites of the Company and the Stock Exchange on the same business day of the general meeting.

Pursuant to the Articles of Association, an extraordinary general meeting can be convened on the requisition of shareholders, either individually or jointly, holding 10% or more of the paid up capital of the Company carrying the right of voting at such meeting of the Company. Such requisition must be in writing and the Board will follow up to convene such meeting within 30 days.

According to the Articles of Association, shareholders individually or jointly holding 3% or more of the voting shares of the Company may submit in writing interim proposals to the convenor 10 days before the date of the convening of the shareholders' general meeting.

The convenor shall, within 2 days upon receipt of such proposals, review the proposals and serve a supplementary notice of the shareholders' general meeting to announce the content of the interim proposals.

Procedures in relation to the nomination of directors by shareholders have been published on the website of the Company.

SHAREHOLDERS' COMMUNICATION POLICY

The Company has adopted a shareholders' communication policy (the "Policy") with the objective of ensuring that the shareholders and the investment community are provided with ready, equal and timely access to information about the Company, and allowing them to engage actively with the Company. In addition to publishing interim and annual reports, the Company occasionally meets with analysts and holds press conferences. Enquiries and suggestions from shareholders, investors, media and the general public are followed up by executive directors or appropriate management staff. In addition, the corporate website is another channel through which the Company provides up-to-date information.

The AGM also serves as an important channel of communication between directors and shareholders. The Chairman of the Board personally chairs the AGM to ensure shareholders' views are communicated to the Board. During the AGM, the Chairman of the Board and the chairman/members of the Board committees are present to answer any queries from shareholders. External auditors are also invited to attend the AGM to answer questions about the conduct of the audit, the preparation and content of the auditors' report, the accounting policies and auditor independence.

During the year, the Board has reviewed the Policy and considered that the Policy and its implementation are effective as the Policy has provided effective channels for shareholders and investors to communicate their views with the Company.

GENERAL MEETINGS

In 2024, the Company held the two general meetings including one extraordinary general meeting held on 18 March 2024 (the "EGM") and the 2023 AGM.

Attendance of the directors at the general meetings is set out below:

Name of Directors	EGM	2023 AGM
Executive Directors		
Li Sze Lim	√	√
Zhang Hui	√	√
Xiang Lijun	√	√
Zhao Feng *(appointed with effect from 31 May 2024)*	N/A	N/A
Non-executive Directors		
Zhang Lin	√	√
Li Helen	√	√
Independent Non-executive Directors		
Zheng Ercheng	√	–
Ng Yau Wah, Daniel	√	√
Wong Chun Bong	√	√

PROCEDURES FOR DIRECTING SHAREHOLDERS' ENQUIRIES TO THE BOARD

Shareholders may at any time send their enquiries and concerns to the Board in writing through the company secretary whose contact details is as follows:

Company Secretary
Guangzhou R&F Properties Co., Ltd.
Room 6303, The Center,
No. 99 Queen's Road Central, Hong Kong
Telephone: (852) 2511 6675
Fax: (852) 2511 9087

CONSTITUTIONAL DOCUMENTS

During the year, there is no change on the Articles of Association.

The directors are pleased to submit their report, together with the audited financial statements of the Group, for the year ended 31 December 2024. The audited financial statements were approved by the directors on 28 March 2025.

PRINCIPAL ACTIVITIES

The Group's principal activity is the development of quality residential and commercial properties for sale mainly in China, and its target customers are members of China's large and growing middle class. The Group also develops hotels, office buildings and shopping malls in Beijing, Guangzhou and other cities, which are held as investment properties.

An analysis of the Group's revenue and total assets during the financial year, by business segment, is set out in Note 5 to the financial statements.

A list of principal subsidiaries together with their places of operation and incorporation, their issued capital and registered capital, is set out in Note 10 to the financial statements.

RESULTS

The profit of the Group for the year ended 31 December 2024 and the state of affairs of the Company and of the Group as at that date are set out in the financial statements on pages 43 to 142 of this annual report.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five years is set out on page 144 of this annual report. The summary of results is for comparative purposes only, and does not form an integral part of the audited financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

Details of the management discussion and analysis during the year are set out on pages 7 to 13 of this report and the paragraphs below.

Policy Risk

As an important pillar for various economic indicators and drivers of growth across industries, the property industry is more susceptible to the impact of macro-economic and industrial policies.

The poor performance of contracted sales resulted in liquidity constraints and financial distress for many developers. China has adopted steps to allow greater foreign access within its borders which broadened the view that China is an open and attractive investment region for foreigners and international companies to invest. The Chinese Politburo meetings also reinforced the emphasis on economic stability, domestic demand and consumption.

Business Risk

The Group has sizeable land bank in China's tier-1 and tier-2 cities. With ample land bank available for development in the medium-term, land acquisitions will remain prudent. As property purchasers have migrated to completed properties to avoid default risk, the Group's proportion of contracted sales are more weighted to completed properties that are immediately cash generative and available for disbursement.

Market Risk

Purchasers have lost confidence in property as an asset class for ownership and investment due to a weak economic backdrop. Transaction volumes remain low relatively to historical levels. The Group along peers will continue to experience financial constraints and face intense pressure due to decline in property sales from negative buyer sentiment and their adversity to distressed asset risk.

Financial Risk

Restrictions in access to bank borrowings, funds derived from internal resources and revenue from presales/sales of commodity housing falling short of project construction requirements, or inability to issue debt in the capital markets will affect the property project development plans of the Company and hence the business development of the Company. The Group endeavours to explore unique options despite a difficult market backdrop for transactions due to lack of market liquidity.

As a PRC property development and investment company listed on the Main Board of the Stock Exchange, the Company shall comply with the relevant rules and regulations of both of the PRC and Hong Kong. On the corporate level, the Group complies with the requirements under the Companies Ordinance in Hong Kong and the PRC, the Listing Rules and the SFO for, among other things, the disclosure of information and corporate governance, and the Group has adopted the Model Code.

Further discussion and analysis of the Group's activities as required by Schedule 5 to the Hong Kong Companies Ordinance can be found throughout this report, particularly in the sections headed "Financial Highlights", "Letter to Shareholders", "Business Review" and "Financial Review" of this report. These discussions form part of this Report of the Directors.

The Environmental, Social and Governance Report of the Company for the year ended 31 December 2024 is published on the website of the Company (www.rfchina.com) and the Stock Exchange (www.hkexnews.hk).

DISCLAIMER OPINION ISSUED BY THE INDEPENDENT AUDITOR

As a result of the possible effects of the matter described in the section headed "Basis for Disclaimer of Opinion" in the "Independent Auditor's Report" on pages 39 to 42 of this annual report, the Company's independent auditor, BDO Limited (the "Auditor"), expressed a disclaimer opinion on the Group's consolidated financial statements for the year ended 31 December 2024 (the "Disclaimer Opinion").

Multiple Uncertainties relating to Going Concern

The Group incurred a loss attributable to the owners of the Company of RMB17.710 billion for the year ended 31 December 2024 and as of that date, the Group's current liabilities were in excess of current assets by approximately RMB31.676 billion. The Group's total bank borrowings, domestic bonds, senior notes and other borrowings (included in short-term borrowings, long-term borrowings and current portion of long-term borrowings and accruals and other payables) amounted to RMB113.549 billion, of which RMB103.569 billion will be due for repayment within the next 12 months while the Group has total cash including restricted cash of RMB3.864 billion only. Moreover, as at 31 December 2024, the Group was unable to repay certain bank and other borrowings of RMB26.362 billion according to their scheduled repayment dates, and subsequent to 31 December 2024 and up to the date of approval of these consolidated financial statements, the Group was unable to repay certain bank and other borrowings of RMB9.463 billion that are due for repayment. As a result, certain bank borrowings and other borrowings with an aggregate principal amount of RMB88.475 billion became default or cross-default. The Group has received certain demand letters, acceleration notices and legal letters with respect to these default borrowings.

In view of the Group's tight liquidity position, the Group failed to pay the interests amounting to RMB1.042 billion (approximately USD147 million) of three senior notes with principal amount of RMB31.903 billion (approximately USD4.527 billion) starting from August 2024.

In July and August 2024, certain subsidiaries of the Company received winding-up petitions in relation to the non-repayment of a loan for a principal amount of USD540,417,000 (the "Trillion Glory Loan") pursuant to a facility agreement entered into by, among others, Trillion Glory Limited ("Trillion Glory"), a subsidiary of the Company, as borrower, Noble Ease Limited ("Noble Ease") and R&F Properties (HK) Company Limited ("R&F (HK)"), both subsidiaries of the Company, as guarantors, the Company as one of the obligors, Serica Agency Limited as agent and security agent (the "Security Agent"), and the lenders named therein. On 3 September 2024, the lenders appointed a receiver through the Security Agent in respect of the assets subject to security created in favour of the Security Agent. Furthermore, the Group has been involved in various litigation cases related to unrepaid borrowings, construction dispute and other matters for which the Group has made provision.

In view of such circumstances, the board of directors of the Company (the "Board") and Group's management (the "Management") have given careful consideration to the future liquidity and performance of the Group and its available sources of financing within the next 18 months from 31 December 2024 in assessing whether the Group will have sufficient financial sources to continue as a going concern and the appropriateness of the use of the going concern basis in the preparation of the consolidated financial statements. The Management has formulated plans and measures to enable the Group to have sufficient financial resources to meet its financial commitments as and when they fall due, details of which are set out in note 2.1(c) to the consolidated financial statements as contained in this annual report (the "Plans"). Subject to, among others, successful implementation of the Plans, including but not limited to the restructuring plan of its offshore debt, discussions with the relevant lenders to extend or refinance the outstanding borrowings, assets disposals, settlement of outstanding litigations, acceleration of pre-sales and sales of properties and collection of outstanding sales proceeds, and costs control, the Management takes the view that the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the next 12 months from 31 December 2024.

These indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern, and therefore the Group may not be able to realise its assets and discharges its liabilities in the normal course of business (the "Going Concern Issue"). As a result of these multiple uncertainties, the potential interaction of these uncertainties, and the possible cumulative effect thereof, the Auditor was unable to form an opinion as to whether the going concern basis of preparation is appropriate.

The Board has discussed the Going Concern Issue with the Management and is satisfied that on the basis of successful implementation of the Plans, it is appropriate to prepare the consolidated financial statements on a going concern basis.

The Audit Committee has discussed with the Board and the Management regarding the Going Concern Issue, agreed with the position taken by the Management and the Board regarding the Going Concern Issue. The Audit Committee also discussed and understood the concerns of the Auditor that uncertainties exist as to whether Management will be able to achieve the Plans. There is no disagreement by the Board, the Management nor the Audit Committee with the position taken by the Auditor regarding the Going Concern Issue and the Disclaimer Opinion.

Further details on the material uncertainties relating to the Group's going concern and their mitigation measures are set out in note 2.1(c) to the consolidated financial statements as contained in this annual report.

Additional matter – Comparability of the current year's figures and corresponding figures in respect of deferred income tax assets

The Group had deferred income tax assets of RMB0.1 billion arising from unused tax losses and deductible temporary differences of certain group entities under different operating segments of the Group as at 31 December 2023. Such amount was included in the deferred income tax assets of RMB13.061 billion. In addition, the Group recognised RMB2.147 billion in relation to reversal of deferred income tax assets in profit or loss that was included in the income tax expenses of RMB5.832 billion in the consolidated income statement for the year ended 31 December 2023.

The Auditor issued a qualified opinion on the Group's consolidated financial statements for the year ended 31 December 2023 since they were unable to determine whether the income tax expense of RMB2.147 billion in respect of these group entities recognised in the income tax expenses during the year ended 31 December 2023 should have been recognised in the previous years. Any adjustments found necessary would have a consequential impact on the financial performance for the year ended 31 December 2023 and the related disclosures in these consolidated financial statements.

The Auditor's opinion on the consolidated financial statements for the year ended 31 December 2024 is modified because of the possible effects of this matter on the comparability of the current year's figures and the corresponding figures for the year ended 31 December 2023 in the consolidated income statement, the consolidated statement of comprehensive income and the consolidated statement of changes in equity.

It is confirmed by the Auditor that the underlying cause of the qualification with respect to this issue has been resolved as at 31 December 2023 upon the derecognition of the unutilized part of the relevant deferred income tax assets, and that the recognition of the relevant deferred income tax assets in the amount of RMB0.1 billion as at 31 December 2023 was not subject to any qualification. The Auditor's opinion on the consolidated financial statements of the Group for the year ended 31 December 2024 is still qualified in this regard only because of the possible effect of this matter on the comparability of the financial performance figures of the year ended 31 December 2024 and the corresponding figures.

INTERIM DIVIDEND

The Board has resolved not to declare the payment of an interim dividend for the six months ended 30 June 2024.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: nil).

AGM AND CLOSURE OF REGISTER OF MEMBERS FOR THE ENTITLEMENT OF ATTENDING AGM

The 2024 AGM of the Company will be held on Friday, 30 May 2025 and the notice of AGM will be published and dispatched in the manner as required by the Listing Rules.

For the purpose of determining shareholders who are entitled to attend and vote at the AGM to be held on Friday, 30 May 2025, the register of members of the Company will be closed from Monday, 26 May 2025 to Friday, 30 May 2025, both days inclusive. In order for the shareholders to qualify for attending and voting at the AGM, all the share transfer documents should be lodged for registration with the Company's H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Friday, 23 May 2025.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

As a result of the consummation of the transaction for the disposal of the entire issued share capital of R&F International Real Estate Investment Co. Limited ("R&F International") and the assignment of the entire loan owing from R&F International to R&F Properties (HK) Company Limited, USD409,144,920 in principal amount of the senior notes due 2025 issued by Easy Tactic Limited ("Easy Tactic", a subsidiary of the Company) (the "2025

Notes"), USD539,162,752 in principal amount of the senior notes due 2027 issued by Easy Tactic (the "2027 Notes") and USD222,176,624 in principal amount of the senior notes due 2028 issued by Easy Tactic (the "2028 Notes") have been cancelled. After the cancellation, USD1,034,162,134 in principal amount of the 2025 Notes, USD1,921,827,815 in principal amount of the 2027 Notes and USD1,571,167,017 in principal amount of the 2028 Notes remain outstanding as at 31 December 2024.

The Company has also redeemed a total principal amount of RMB571,873,266.70 domestic bonds in 2024. As at 31 December 2024, the outstanding aggregate principal amount of domestic bonds of the Company was RMB13,199,917,618.30.

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

MAJOR SUPPLIERS AND CUSTOMERS

During the year, the percentage of purchases attributable to the Group's five largest suppliers combined was less than 30% of the Group's total purchase. The percentage of revenue attributable to the Group's five largest customers combined was less than 30% of the Group's total revenue.

DONATIONS

During the year, the total amount of charitable donations made by the Group was approximately RMB3.30 million (2023: RMB28.25 million).

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

The detailed changes in property, plant and equipment, and investment properties of the Group for the year are set out in Notes 6 and 8 to the financial statements, respectively.

PROPERTIES UNDER DEVELOPMENT

Details of the properties under development of the Group during the year are set out in Note 15 to the financial statements.

COMPLETED PROPERTIES HELD FOR SALE

Details of the completed properties held for sale of the Group during the year are set out in Note 16 to the financial statements.

BANK BORROWINGS

Particulars of the bank borrowings of the Group as at 31 December 2024 are set out in Note 24 to the financial statements.

PERMITTED INDEMNITY PROVISIONS

At no time during the financial year and up to the date of this Directors' Report was or is there any permitted indemnity provision being in force for the benefit of any of the directors of the Company or an associated company.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

CAPITALISED BORROWING COSTS

Borrowing costs capitalised by the Group during the year amounted to approximately RMB4.109 billion (2023: approximately RMB5.303 billion).

MAJOR PROPERTIES

Major properties of the Group as at 31 December 2024 are set out on pages 145 to 154 of this annual report.

SHARE PREMIUM AND RESERVES

Movements in the share premium and reserves of the Company during the year up to 31 December 2024 are set out in Note 22 to the financial statements.

DISTRIBUTABLE RESERVES

In accordance with the Articles of Association, distribution of dividends should be made out of distributable reserves, this being the lower amount either as determined under China Accounting Standard for Business Enterprises ("CAS") or as determined under the Hong Kong Financial Reporting Standards ("HKFRS"). As at 31 December 2024, the Company's distributable reserves were approximately RMB316 million, being the smaller of the distributable reserves as determined under CAS and HKFRS.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year up to 31 December 2024 are set out in the statement of changes in equity on pages 47 to 48 of this annual report.

DIRECTORS AND SUPERVISORS

The directors and supervisors of the Company during the year were:

Executive Directors
Dr. Li Sze Lim
Mr. Zhang Hui
Mr. Xiang Lijun
Mr. Zhao Feng *(appointed with effect from 31 May 2024)*

Non-executive Directors
Ms. Zhang Lin
Ms. Li Helen

Independent Non-executive Directors
Mr. Zheng Ercheng
Mr. Ng Yau Wah, Daniel
Mr. Wong Chun Bong

Supervisors
Mr. Chen Liangnuan
Mr. Zhao Xianglin
Mr. Zhang Yucong

The Company considered all independent non-executive directors to be independent of the Company.

In accordance with Articles 106 and 130 of the Company's Articles of Association, the term of office of all directors and supervisors shall be three years, subject to re-election and re-appointment.

The term of office of Ms. Zhang Lin, a non-executive director of the Company, is about to expire, she, being eligible, has offered herself for re-election at the forthcoming 2024 annual general meeting ("AGM").

DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S BIOGRAPHICAL DETAILS

Biographical details of the directors and supervisors of the Company and the senior management of the Group are set out on pages 34 to 38 of the annual report.

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

Each of the directors and supervisors of the Company has entered into a service contract with the Company for a term of three years. None of the directors or supervisors has entered into any service contract with the Company or any of its subsidiaries, which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

SUPERVISORS' EMOLUMENTS

References are made to the annual reports of the Company for the years ended 31 December 2011 and 2012 (collectively, the "Previous Annual Reports") and the announcement of the Company dated 29 November 2024 in relation to, among others, the supervisors' emoluments for the years ended 31 December 2005 to 2010.

Further to the disclosure made by the Company in the Previous Annual Reports, please find below additional information in relation to the supervisors' emoluments for the years ended 31 December 2010 and 2011 as follows:

During the year ended 31 December 2010, Mr. Feng Xiangyang ("Mr. Feng", the then supervisor of the Company) received salary in the total amount of RMB1,420,000 in two capacities, being (a) emolument in the amount of RMB168,000 as supervisor, and (b) salary in the amount of RMB1,252,000 as employee, where Mr. Feng held the position of deputy general manager of the Group. In addition, Mr. Feng received RMB65,000 in other benefits for the year ended 31 December 2010 in his capacity as employee.

During the year ended 31 December 2011, Mr. Feng received salary in the total amount of RMB448,000 in two capacities, being (a) emolument in the amount of RMB168,000 as supervisor, and (b) salary in the amount of RMB280,000 as employee, where Mr. Feng held the position of deputy general manager of the Group. In addition, Mr. Feng received RMB32,000 in other benefits for the year ended 31 December 2011 in his capacity as employee.

As at the date of this report, Mr. Feng is not a supervisor of the Company. Save as disclosed above, there were no other emoluments paid to Mr. Feng for the years ended 31 December 2010 and 2011.

The above supplemental information does not affect other information contained in the Previous Annual Reports. Save as disclosed above, all other information in the Previous Annual Reports remains unchanged.

DIRECTORS' AND SUPERVISORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

There were no transaction, arrangement or contract of significance to which the Company or any of its subsidiaries or joint ventures was a party, and in which a director or a supervisor of the Company was materially interested, whether directly or indirectly, subsisted at any time during the year or as at 31 December 2024.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year, the following director had interests in the following businesses which are considered to compete or be likely to compete, either directly or indirectly, with the business of the Group (other than those businesses where the directors were appointed as director of the businesses concerned to represent the interests of the Company/Group):

	Businesses which are considered to compete or be likely to compete, either directly or indirectly, with the business of the Group		
Name of director	**Name of entity**	**Description of business**	**Nature of the interest of the director in the entity**
Li Sze Lim	Beijing Fushengli Investment Consulting Co., Ltd. ("Fushengli")	Owns partial parking spaces in Beijing	Shareholder

Dr. Li Sze Lim has confirmed that Fushengli has no intention of engaging in any business (save as disclosed) which competes or is likely to compete with the Group. The Company's directors are of the view that the Company is capable of carrying on its business independently of Fushengli.

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

As at 31 December 2024, the beneficial interests and short positions of the directors, chief executive and supervisors of the Company in the shares, underlying shares or debentures of the Company or any of the associated corporations (within the meaning of Part XV of the SFO), which are required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (ii) entered into the register required to be kept by the Company under section 352 of Part XV of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

(a) Long positions in the shares, underlying shares and debentures of the Company as at 31 December 2024 were as follows:

		Number of shares				
Director/ Supervisor	**Class of shares**	**Personal**	**Spouse or child under 18**	**Corporate interest**	**Total number of shares held at the end of the period**	**Approximate percentage of interests in the total share capital [Note]**
Li Sze Lim	H share	1,066,092,672	5,000,000	16,000,000	1,087,092,672	28.97%
Zhang Hui	H share	1,894,800			1,894,800	0.05%
Xiang Lijun	H share	1,800,000			1,800,000	0.05%
Li Helen	H share	3,600		1,000,000	1,003,600	0.03%
Ng Yau Wah, Daniel	H share		588,000		588,000	0.02%
Chen Liangnuan	H share	20,000,000			20,000,000	0.53%

Note:

The Company's total number of issued shares as at 31 December 2024 was 3,752,367,344 H shares.

(b) Long positions in the shares, underlying shares and debentures of the Company's associated corporations (within the meaning of Part XV of the SFO):

Director	Name of associated corporation	Type	No. of shares	Percentage of total issued capital
Li Sze Lim	Guangzhou Tianfu Property Development Co., Ltd. ("Tianfu") (Note 1)	Corporate	N/A	15%
	Fushengli (Note 2)	Corporate	N/A	34.64%
	Easy Tactic Limited ("Easy Tactic") (Note 3)	Corporate	N/A	N/A

Notes:

1. Tianfu is 15% and 85% owned by Century Land Properties Limited and the Company respectively. Century Land Properties Limited is beneficially owned by Dr. Li Sze Lim.

2. Fushengli is 70% and 30% owned by Well Bright International Limited and Guangzhou Tianli Construction Co., Ltd. respectively. Guangzhou Tianli Construction Co., Ltd. is a subsidiary of the Company. Well Bright International Limited is 51% and 49% owned by Guangdong South China Environmental Protection Investment Co., Ltd. and Sparks Real Estate Holdings Limited respectively. Dr. Li Sze Lim owns 49% of Guangdong South China Environmental Protection Investment Co., Ltd.. Sparks Real Estate Holdings Limited is beneficially owned by Dr. Li Sze Lim as to 50%.

3. Dr. Li Sze Lim (a) has an interest in USD6,204,383 of the USD1,034,162,134 senior notes due 2025 issued by Easy Tactic; and (b) through his spouse, has an interest in (i) USD11,505,460 of the USD1,921,827,815 senior notes due 2027 issued by Easy Tactic; and (ii) USD116,698,199 of the USD1,571,167,017 senior notes due 2028 issued by Easy Tactic.

Save as disclosed above, as at 31 December 2024, none of the directors, chief executive or supervisors of the Company or their associates had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register maintained by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2024, so far as the directors are aware, only the following persons (other than the directors, chief executive and supervisors of the Company) held 5% or more beneficial interests or short positions in the shares and underlying shares of the Company which would be required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, as recorded in the register as required to be kept under section 336 of the SFO.

Name of shareholder	Type of share	Number of shares	Approximate percentage of interests in H shares (Note 1)
Zhang Li	H share	1,042,146,272 (Note 2)	27.77%

Notes:

1. The Company's total number of issued shares as at 31 December 2024 was 3,752,367,344 H shares.

2. Mr. Zhang is the beneficial owner of 1,022,146,272 H shares and is deemed to be interested in the 20,000,000 H shares held by his spouse.

Save as disclosed above, as at 31 December 2024, no other persons' (other than the directors', chief executive's and supervisors') interests and short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO.

SHARE OPTION SCHEME

The Group did not adopt any share option scheme during the year.

PRE-EMPTIVE RIGHTS

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

FINANCIAL ASSISTANCE AND GUARANTEE TO AFFILIATED COMPANIES

The Company has not provided any financial assistance to or guarantee for facilities granted to affiliated companies (within the definition under Chapter 13 of the Listing Rules) which together in aggregate would exceed the relevant percentage of 8%, requiring disclosure under the Listing Rules.

CONNECTED TRANSACTIONS

(a) Connected transaction exempted from the reporting, announcement and independent shareholders' approval requirements:

During the year ended 31 December 2024, the Group entered into transactions with related parties as disclosed in Note 39 "Significant related-party transactions" to the consolidated financial statements. These related-party transactions included the amounts due to major shareholders which constituted connected transaction under the Listing Rules but exempted from the reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.90 of Chapter 14A of the Listing Rules.

(b) Connected transactions subject to the reporting, announcement and independent shareholders' requirements:

Discloseable and Connected Transaction – Disposal Framework Agreement in relation to Qinhuangdao Jifu Properties Co., Ltd.

As approved by the Board on 6 January 2025, the Company entered into a disposal framework agreement (the "Disposal Framework Agreement") with Hainan Hangxiao Real Estate Development Co., Ltd.* (海南航孝房地產開發有限公司) ("Hainan Hangxiao", a wholly-owned subsidiary of the Company), Beijing R&F Properties Development Co., Ltd.* (北京富力城房地產開發有限公司) ("Beijing R&F Properties", a wholly-owned subsidiary of the Company), Beijing R&F Tianchuang Advertising Co., Ltd.* (北京富力天創廣告有限公司), ("Beijing R&F Tianchuang", a wholly-owned subsidiary of the Company) Qinhuangdao Jifu Properties Co., Ltd.* (秦皇島極富房地產開發有限公司) (the "Target Company", which holds a property development project in Qinhuangdao) and Kinetic (Qinhuangdao) Energy Group Co., Ltd.* (力量(秦皇島)能源集團有限公司) ("Kinectic Qinhuangdao", an indirect wholly-owned subsidiary of Kinetic Development Group Limited ("Kinetic Development", a company listed on the main board of The Stock Exchange of Hong Kong Limited (Stock Code: 1277)) pursuant to which, among others, (i) Beijing R&F Properties and Beijing R&F Tianchuang would transfer, and Kinetic Qinhuangdao would acquire, 100% equity interests in the Target Company at nil consideration; (ii) the Company would transfer to Kinetic Qinhuangdao, and Kinetic Qinhuangdao would receive, the creditor's rights held by the Company against the Target Company totaling RMB617,394,474.7 for a consideration of RMB564,625,000; (iii) Hainan Hangxiao (as vendor) and Kinetic Qinhuangdao (as purchaser) would terminate the property purchase framework agreement dated 30 May 2022 and any supplemental agreements between Hainan Hangxiao and Kinetic Qinhuangdao on the sale and purchase of the properties in Hainan Province (the "Property Purchase Framework Agreement"); (iv) Hainan Hangxiao would transfer to the Company, and the Company would receive, the debt owed by Hainan Hangxiao to Kinetic Qinhuangdao (i.e. the amount paid by Kinetic Qinhuangdao under the Property Purchase Framework Agreement and which would be refundable to Kinetic Qinhuangdao upon the termination of the Property Purchase Framework Agreement) in the amount of RMB564,625,000; and (v) the consideration payable by Kinetic Qinhuangdao to the Company for the creditor's rights transfer in the amount of RMB564,625,000 would be fully set off by the equivalent amount payable by the Company to Kinetic Qinhuangdao after the debt transfer.

The transactions contemplated under the Disposal Framework Agreement (the "Transaction") enabled the Group to settle the refund of the amount owed by the Group to Kinetic Development using properties held by the Group, thereby reducing cash outflow of the Group.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Transaction was 5% or more but less than 25%, the Transaction constituted a discloseable transaction and was subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. Mr. Zhang Li is a substantial shareholder of the Company. Due to the combined interest of Mr. Zhang Li and his family members in Kinetic Development, which exceeded 50% of the issued shares in Kinetic Development, Kinetic Development is an associate of Mr. Zhang Li and therefore, Kinetic Qinhuangdao is a connected person of the Company. As such, the Transaction would have been a connected transaction of the Company under Chapter 14A of the Listing Rules. With one of the applicable percentage ratios in respect of the Transaction exceeding 5% and the amount of the consideration therefor exceeding HKD10 million, the Transaction constituted a non-exempt connected transaction under Chapter 14A of the Listing Rules and the Company should have complied with the independent shareholders' approval requirements under Chapter 14A of the Listing Rules prior to completion of the Transaction.

Details of the above Transaction are set out in the announcement of the Company dated 6 January 2025.

After the incident, the Company has taken measures to tighten its internal control procedures, details of which are set out in the section headed "INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS" in the Corporate Governance Report of this annual report.

Save for the above connected transactions, there were no other connected transactions in the year.

DERECOGNITION OF THEN SUBSIDIARIES

On 8 July 2024 and 19 August 2024, Trillion Glory and R&F (HK) each received a winding-up petition filed by Seatown Private Credit Master Fund (the "Petitioner" and one of the lenders holding 18% of the outstanding principal amount of the Trillion Glory Loan), at the High Court of the Hong Kong Special Administrative Region of the PRC in relation to the non-repayment of the Petitioner's pro-rata share of the principal amount of the Trillion Glory Loan, together with accrued interest.

On 3 September 2024, Trillion Glory, Noble Ease (collectively named "Noble Ease Group") and R&F (HK), each received a notice from the Security Agent, on behalf of the lenders and pursuant to the terms of the facility agreement of the Trillion Glory Loan, regarding the appointment of Chan Leung Lee and Yuen Tsz Chun of Frank Forensic and Corporate Recovery Limited, as joint and several receivers in respect of the assets subject to security created in favour of the Security Agent, including, among others, equity interest in Noble Ease and Trillion Glory held by R&F (HK) and Noble Ease respectively and assets of Trillion Glory. Trillion Glory holds the entire equity interest of a wholly-owned PRC subsidiary of the Company which indirectly holds 68 hotels and 1 office building in the PRC.

Accordingly, the Board considered that the Group lost the control over Noble Ease Group under the relevant financial reporting standard on 3 September 2024 and Noble Ease Group was derecognised as then subsidiaries and the equity interest in Noble Ease Group was then classified as financial asset at fair value through other comprehensive income and was included as "Financial assets at fair value through other comprehensive income" on the consolidated balance sheet. The Group continues to engage with lenders to consider viable options on the recovery of the outstanding hotel loan or a restructured loan agreement at which time the hotels can be reflected within the Group's asset profile.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors of the Company, as at the date of this annual report, the Company has maintained the prescribed public float under the Listing Rules.

AUDITOR

The financial statements of the Group for the year ended 31 December 2024 have been audited by BDO and it has indicated its willingness to be continuously in office. A resolution will be proposed by the Board at the AGM to re-appoint the firm as the auditor of the Company until the close of the next AGM.

By order of the Board
Li Sze Lim
Chairman

Guangzhou, China
28 March 2025

Dear Shareholders,

During 2024, the Supervisory Committee (the "Committee") carried out its supervisory duties conscientiously and diligently in accordance with PRC Company Law and the Company's Articles of Association to protect the interests of shareholders.

The Committee now consists of three members: Mr. Chen Liangnuan, who was elected amongst the Company's employees; and Mr. Zhao Xianglin and Mr. Zhang Yucong, both independent supervisors representing shareholders' interests. A member of the Committee attended the Board meeting at which the Company's 2024 final results were approved, and will also attend the upcoming 2024 AGM.

Throughout the year, members of the Committee monitored the performance of the Company's directors and senior management, and reviewed all material policies formulated and important decisions taken. The Committee considers that the directors and senior management have conducted the Company's business diligently and honestly with the aim of advancing its stated corporate goals, and that they have acted in the best interests of the Company and its shareholders and in compliance with the laws and regulations of the PRC and the Company's Articles of Association.

The Committee has reviewed the financial statements for the year ended 31 December 2024, which were prepared in accordance with Hong Kong Financial Reporting Standards and audited by the Company's auditor, BDO Limited. The Committee has also reviewed the report of the directors to be presented by the Board at the forthcoming 2024 AGM. The Committee considers that the financial statements reflect a true and fair view of the Company's financial position and the results of its operations, and that they comply with all regulations applicable to the Company. The Committee is satisfied with the business performance of the Company in 2024.

By order of the Supervisory Committee
Chen Liangnuan
Convenor

Guangzhou, China
28 March 2025

EXECUTIVE DIRECTORS

Li Sze Lim（李思廉）, SBS, JP, HonDBus (Macq), aged 68, is the Chairman of the Company

Dr. Li is the founder of the Group, the Chairman, an executive director, a member of the remuneration committee and the chairman of the nomination committee of the Company. He is responsible for the strategic direction of the Group and also specially responsible for the sales and financial management function. Dr. Li obtained his bachelor degree in mathematics in 1978 from The Chinese University of Hong Kong and was awarded a degree of Doctor of Business (Honoris Causa) by Macquarie University in 2018. He was a merchant when starting his career in the real estate business in 1993. In August 1994, Dr. Li and Mr. Zhang Li together founded the Company. He owns over 30 years of experience in real estate development and investment. Dr. Li is the chairman of the Council of Guangdong Chamber of Real Estate, the president of China Real Estate Developers and Investors Association, the president of Guangzhou Real Estate Association and Guangzhou Real Estate Institute, an honorary president of the Fourth Guangdong Charity Federation, the chairman of the board of directors of New Home Association and a director of Jinan University. Dr. Li was awarded a Silver Bauhinia Star from the Hong Kong Special Administrative Region on 1 July 2019. Dr. Li is the brother of Ms. Li Helen who is a non-executive director of the Company. Save as disclosed above, Dr. Li is also a director of certain subsidiaries of the Company.

Zhang Hui（張輝）aged 50, is an Executive Director and a vice chairman of the Company

Mr. Zhang is an executive director and a vice chairman of the Company. Mr. Zhang graduated from South China University of Technology with a bachelor degree majoring in architecture. From 2002 to 2005, Mr. Zhang held several positions in the Company, including vice chief engineer and chief engineer of the Company. He was appointed as vice general manager of the Company in 2005 and as general manager of Beijing R&F Properties Development Co., Ltd. and R&F (Beijing) Properties Development Co., Ltd., both subsidiaries of the Company, in 2007, principally in charge of project development in Beijing. Mr. Zhang has been appointed as a vice president of the Company since December 2010. He was appointed as chairman of Great Northern region and chairman of R&F (Beijing) Properties Development Co., Ltd. since December 2017. Mr. Zhang has been appointed as an executive director of the Company since 29 May 2020. Mr. Zhang had been appointed as a vice chairman of the Group since January 2022. He is responsible to assist the Chairman of the Group with managing the marketing, investment and financing, assets and commercial operations and overseas business of the Group. Prior to joining the Company, Mr. Zhang worked with Guangzhou Design Institute from 1998 to 2002. Save as disclosed above, Mr. Zhang is also a director of certain subsidiaries of the Company.

Xiang Lijun（相立軍）aged 52, is an Executive Director, a vice president of the Company, and chairman of Northern China region

Mr. Xiang is an executive director, a vice president and chairman of Northern China region of the Company. Upon joining the Company in 2005, Mr. Xiang had held the position of vice general manager of Guangzhou Tianli Construction Co., Ltd., a subsidiary of the Company. Since March 2013, he was appointed as a vice general manager of the Company. He has been appointed as a vice president of the Company since July 2016 and was appointed as chairman of Northwestern China region in October 2018. Mr. Xiang has been appointed as an executive director of the Company since 9 October 2020. He has been appointed as chairman of Northern China region since January 2022. Save as disclosed above, Mr. Xiang is also a director of certain subsidiaries of the Company.

Zhao Feng（趙渢）aged 55, is an Executive Director, a vice president of the Company and chairman of Hainan R&F Properties Development Group Co., Ltd.

Mr. Zhao is an Executive Director, a vice president of the Company and chairman of Hainan R&F Properties Development Group Co., Ltd.. Prior to joining the Company, Mr. Zhao had held the position of general manager of Guangzhou Canton-Rich Environmental Inc.. Since joining the Company in 2004 and until 2008, Mr. Zhao had held several positions in the Company, such as general manager of Shenyang Yilong Housing Development Co., Ltd., executive vice general manager and general manager of the Company's engineering department. In 2009, Mr. Zhao was appointed as a vice general manager of the Company and chairman of Hainan R&F Properties Development Group Co., Ltd.. Since July 2016, Mr. Zhao has been appointed as a vice president of the Company and chairman of Hainan R&F Properties Development Group Co., Ltd.. Mr. Zhao has been appointed as an executive director of the Company since 31 May 2024. Save as disclosed above, Mr. Zhao is also a supervisor of certain subsidiaries of the Company.

NON-EXECUTIVE DIRECTORS

Zhang Lin（張琳）aged 76

Ms. Zhang is a non-executive director of the Company. Ms. Zhang graduated from the South China University of Technology having majored in electrical engineering. Ms. Zhang served as a lecturer at the South China University of Technology from 1982 to 1993 and as an associate professor in the Engineering Training Centre from 1993 to 2003. Ms. Zhang is the sister of Mr. Zhang Li, a substantial shareholder of the Company.

Ms. Zhang is a non-executive director of Kinetic Development Group Limited (Stock Code: 1277), a company listed on the Hong Kong Stock Exchange.

Li Helen（李海倫）aged 74

Ms. Li is a non-executive director and a member of the audit committee of the Company. Ms. Li has over 25 years of experience in international trade and has held various senior executive positions with several international companies. From 1986 to 1987, she was the managing director of Sunrise Knitwear Ltd., a knitwear manufacturing company in Hong Kong and a subsidiary of Hong Kong Sales Knitwear Ltd.. From 1988 to 2005, she was the president of Great Seas Marketing Inc., a Canadian garment wholesale and distribution company. Ms. Li is the sister of Dr. Li Sze Lim.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Zheng Ercheng（鄭爾城）aged 67

Mr. Zheng is an independent non-executive director, a member of the audit committee, the chairman of the remuneration committee and a member of the nomination committee of the Company. Mr. Zheng was sub-branch deputy governor and then governor of China Construction Bank, Guangzhou Branch, Tianhe Sub-branch from 1987 to 1997 and general manager of the International Business Department of the Guangzhou Branch of the China Construction Bank from 1997 to 1999. He was the general manager of the Guangzhou Branch of Cinda Asset Management Company from 1999 to 2000. Mr. Zheng has extensive experience in the China banking industry and financial sector. Mr. Zheng retired as an independent non-executive director of Kinetic Development Group Limited (Stock Code: 1277), a company listed on the Hong Kong Stock Exchange, on 30 May 2022.

Ng Yau Wah, Daniel（吳又華）aged 69

Mr. Ng is an independent non-executive director and a member of the remuneration committee of the Company. He obtained his bachelor degree in economics in 1978 from the York University, Canada. Mr. Ng had engaged in carpet trading and manufacturing business for more than 20 years; he was previously the executive director of International Carpet Company Limited. He is currently the executive director of Gayloy Limited, a company engaging in real estate property investment and management, leasing of property and rental of parking spaces in Hong Kong. Mr. Ng has substantial experience in property investment projects in China, Hong Kong and Malaysia. Mr. Ng has resigned as an independent non-executive director of Anchorstone Holdings Limited (a company listed on the Hong Kong Stock Exchange with Stock Code: 1592) with effect from 1 July 2023.

Wong Chun Bong（王振邦）aged 66

Mr. Wong is an independent non-executive director, the chairman of the audit committee and a member of the nomination committee of the Company. Mr. Wong is a fellow member of each of the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants, the Taxation Institute of Hong Kong and the Institute of Chartered Accountants in England and Wales. Mr. Wong has held a range of positions relating to the provision of assurance, taxation, accounting and financial management services. Mr. Wong holds a higher diploma in Accountancy from the Hong Kong Polytechnic, currently known as The Hong Kong Polytechnic University ("PolyU"). Mr. Wong has received the "Outstanding Alumni Award" from PolyU in 2023 in recognition of his outstanding contributions to his alma mater and the community. Mr. Wong is the founder of a firm of certified public accountants in Hong Kong and an experienced accountant. He is a member of the Council and also an ex-member of the Court of The Hong Kong Polytechnic University. He was the ex-chairman of the Executive Committee of the Association of Chartered Certified Accountants in Hong Kong. Mr. Wong has resigned as an independent non-executive director of each of Glory Sun Land Group Limited (a company listed on the Hong Kong Stock Exchange with Stock Code:299) and Glory Sun Financial Group Limited (now known as Renze Harvest International Limited) (a company listed on the Hong Kong Stock Exchange with Stock Code: 1282) with effect from 31 July 2023.

SUPERVISORS

Chen Liangnuan（陳量暖）aged 75

Mr. Chen is a supervisor of the Company. Mr. Chen graduated from Shanghai Textile College in 1977. From 1977 to 1996, Mr. Chen had served as the general manager or party secretary of various textile factories in Guangzhou. Mr. Chen joined Guangzhou Tianli Construction Co., Ltd. ("Tianli"), a wholly-owned subsidiary of the Company in 1996 as its general manager. Mr. Chen was also a supervisor of Tianli and the chairman of Tianli, Foshan Lizun Metal Products Co., Ltd.（佛山力尊金屬製品有限公司）and Guangzhou Tianyin Landscape Engineering Co., Ltd.（廣州天盈園林工程有限公司）. Mr. Chen is an independent non-executive director of Kinetic Development Group Limited (Stock Code: 1277), a company listed on the Hong Kong Stock Exchange.

Zhao Xianglin（趙祥林）aged 83

Mr. Zhao is a supervisor of the Company (representative of shareholders). Mr. Zhao graduated from Yangzhou University in 1964 with a higher education diploma. From 1969 to 2002, Mr. Zhao was a senior teacher at the Affiliated High School of Yangzhou University ("AHSYU"). During Mr. Zhao's tenure at AHSYU, he was also the head of the Music Curriculum Development Team, vice-president of the Labor Union and the director of the Office of School Sponsored Enterprises of AHSYU. From 1998 to 2002, Mr. Zhao was a member of the Political Consultative Conference of the City of Yangzhou. Mr. Zhao is very experienced in supervising the functioning of sizable enterprises.

Zhang Yucong（張宇聰）aged 67

Mr. Zhang is a supervisor of the Company (representative of shareholders). Mr. Zhang obtained a vocational college's degree in industrial accounting from Guangzhou Amateur Finance College in October 1984. He was conferred as a senior economist by China Construction Bank in December 1997. Prior to November 2001, Mr. Zhang consecutively worked in China Construction Bank with his last position as the deputy director in China Construction Bank (Guangzhou branch) and China Cinda Asset Management Co., Ltd.（中國信達資產管理股份有限公司）(Guangzhou office) as the deputy officer. From November 2001 to March 2004, he worked as deputy general manager in the Company, a vice chairman in Beijing R&F Properties Development Co., Ltd.（北京富力城房地產開發有限公司）and a vice chairman in R&F (Beijing) Properties Development Co., Ltd.（富力（北京）地產開發有限公司）. From June 2004 to August 2010, he worked as the chairman in Guangzhou Fuxing Investment Co., Ltd.（廣州市富興投資有限公司）and a general manager in Guangzhou Yinxiang Guarantee Co., Ltd.（廣州市銀翔擔保有限公司）. From August 2010 to August 2014, he worked as a deputy general manager in Cinda Real Estate Co., Ltd.（信達地產股份有限公司）, a real estate company whose shares are listed in the Shanghai Stock Exchange (Stock Code: 600657). From June 2014 to April 2016, he worked as a deputy general manager in Cinda Real Estate Co., Ltd.（信達地產股份有限公司）, an executive director in Guangzhou Cinda Property Investment Co., Ltd.（廣州信達置業投資有限公司）and an executive director in Shenzhen Cinda Real Estate Co., Ltd.（深圳信達置業有限公司）.

SENIOR MANAGEMENT

Zhu Ling（朱玲）aged 58, is the Chief Financial Officer of the Company

Ms. Zhu graduated from Research Center for International Management at Tsinghua University majoring in financial accounting and capital operation and Tianjin University of Finance and Economics majoring in financial management in 2007 and 2009 respectively. She is an associate member of The Association of International Accountants. Prior to joining the Company, Ms. Zhu had worked with, among others, Guangzhou Suburban District Sugar Tobacco and Liquor Company（廣州郊區糖煙酒公司）, China National Aero-Technology Import & Export Corporation Guangzhou Hangcheng Company（中國航空技術進出口公司廣州航城公司）as chief financial officer or financial manager. Ms. Zhu had held the positions of financial controller and vice general manager of the Company since February 1995 and became the chief financial officer of the Company since October 2005.

Wang Heng（王珩）aged 55, is a vice president of the Company

Ms. Wang graduated from Shanghai Jiaotong University. Ms. Wang joined the Company in 1995 and has held the position of manager of human resources and administration department, and director of human resources and administration department. Ms. Wang was appointed as general manager of the Company in 2003. She has been appointed as vice president of the Company since December 2010.

Liu Zhen（劉臻）aged 59, is a vice president of the Company

Prior to joining the Company, Mr. Liu had worked with Guangdong Guangxin Project Management Co., Ltd. (廣東廣信監理工程有限公司) and Guangdong Xinyu Construction Decoration Engineering Co., Ltd. (廣東信譽建築裝飾工程有限公司). Since joining the Company in 2002 and until 2008, Mr. Liu held several positions in the Company, such as project manager and general manager of the Company's engineering department. In 2008, Mr. Liu was appointed as a vice general manager of the Company. In 2009, he was appointed as a vice general manager of the Company and chairman of Guangdong Hengli Engineering Co., Ltd. (廣東恒力建設工程有限公司), a subsidiary of the Company. In March 2013, he was appointed as a vice general manager of the Company and general manager of Southern China region. He has been appointed as a vice president of the Company and general manager of Southern China region since July 2016 and was appointed as chairman of Southern China region in October 2018. Since July 2020, he has been appointed to be responsible for the Group's engineering supervision and management centre, audit centre and tender centre. Save as disclosed above, Mr. Liu is also a director of certain subsidiaries of the Company.

Zhang Yanqi (張彥琦) aged 46, is a vice president of the Company

Since 2001, Mr. Zhang had been a project manager and a vice general manager of the Company's engineering department, assistant to chairman of Beijing R&F Properties Development Co., Ltd., a subsidiary of the Company, general manager for northern region of Guangzhou Tianli Construction Co., Ltd., a subsidiary of the Company, and a vice general manager of the Company. Mr. Zhang has been appointed as a vice president of the Company since October 2014.

Yang Ye (楊曄) aged 45, is a vice president of the Company, chairman of Southern China region and chairman of the Group's Urban Renewal Group of the Greater Bay Area

Mr. Yang graduated from Changsha University of Science & Technology, South China University of Technology and China Europe International Business School with a bachelor degree in architecture, a master degree in urban planning and an executive master of business administration respectively. Prior to joining the Company, Mr. Yang worked with the Artman Group Canada. Upon joining the Company in 2006, Mr. Yang held the positions of assistant to chief engineer and vice chief engineer of the Company. He was appointed as the general manager of Hangzhou R&F Properties Development Co., Ltd. in 2012, as the vice general manager of the Company, general manager of Eastern China region and general manager of Hangzhou R&F Properties Development Co., Ltd. in 2015, as the vice general manager of the Company, general manager of Eastern China region and chairman of Shanghai R&F Properties Development Co., Ltd. in 2016, as a vice president of the Company in March 2017 and as a vice president of the Company and chairman of Eastern China region in October 2018. He has been appointed as a vice president of the Company, chairman of Southern China region and chairman of the Group's Urban Renewal Group of the Greater Bay Area since July 2020. Save as disclosed above, Mr. Yang is also a director of certain subsidiaries of the Company.

Xie Wei (謝威) aged 52, is a vice president of the Company and chairman of Central Southern China region

Mr. Xie graduated from Wuhan University of Technology with a master degree in Engineering. Prior to joining the Company, Mr. Xie had held the position of general manager of Guangdong Hopson Yuehua Properties Development Co., Ltd. (廣東合生越華房地產開發有限公司). Upon joining the Company in 2010, Mr. Xie held the positions of vice general manager of the Company's engineering department, assistant to general manager of Southern China region. In 2013, he was appointed as a general manager of Fuzhou R&F Properties Development Co., Ltd.. In 2017, he was appointed as a vice general manager of the Company, general manager of Central Southern China region and the chairman of the companies of Fujian, Jiangxi and Wuhan. In May 2018, he was appointed as a vice president of the Company. Mr. Xie was appointed as the chairman of Central Southern China region in October 2018. Mr. Xie is currently a vice president of the Company and chairman of Central Southern China region.

Hu Jie (胡杰) aged 49, is a vice general manager and secretary of the Board of the Company

Mr. Hu graduated from Jinan University with a master degree in finance. Prior to joining the Company, he had worked with China Southern Securities Co., Ltd. and Ping An Securities Limited engaging in investment banking business. Upon joining the Company in 2002, Mr. Hu held the position of manager of investment department, in charge of company restructuring, listing and major investment as well as financing. He has been appointed as secretary of the Board of the Company since June 2007. In February 2019, he was appointed as vice general manager of the Company. Mr. Hu is currently a vice general manager and secretary of the Board of the Company.

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TO THE SHAREHOLDERS OF GUANGZHOU R&F PROPERTIES CO., LTD.

(incorporated in the People's Republic of China with limited liability)

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of Guangzhou R&F Properties Co., Ltd. (the "Company") and its subsidiaries (together the "Group") set out on pages 43 to 142, which comprise the consolidated balance sheet 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 consolidated financial statements, including material accounting policy information.

We do not express an opinion on the consolidated financial statements of the Group due to the potential interaction of the multiple uncertainties relating to going concern and their possible cumulative effects on the consolidated financial statements as described in the "Basis for Disclaimer of Opinion" section of our report. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR DISCLAIMER OF OPINION

Multiple Uncertainties Relating to Going Concern

As disclosed in Note 2.1(c) to the consolidated financial statements, the Group incurred a loss attributable to the owners of the Company of RMB17.710 billion for the year ended 31 December 2024 and as of that date, the Group's current liabilities were in excess of current assets by approximately RMB31.676 billion. The Group's total bank borrowings, domestic bonds, senior notes and other borrowings (included in short-term borrowings, long-term borrowings and current portion of long term borrowings and accruals and other payable as disclosed in Note 24 and Note 23 to the consolidated financial statements) amounted to RMB113.549 billion, of which RMB103.569 billion will be due for repayment within the next twelve months while the Group has total cash including restricted cash of RMB3.864 billion only.

Moreover, as at 31 December 2024, the Group was unable to repay certain bank and other borrowings of RMB26.362 billion according to their scheduled repayment dates, and subsequent to 31 December 2024 and up to the date of approval of these consolidated financial statements, the Group was unable to repay certain bank and other borrowings of RMB9.463 billion that are due for repayment. As a result, certain bank borrowings and other borrowings with an aggregate principal amount of RMB88.475 billion became default or cross-default. The Group has received certain demand letters, acceleration notices and legal letters with respect to these default borrowings.

In view of the Group's tight liquidity position, the Group failed to pay the interests amounting to RMB1.042 billion (approximately USD147 million) of three senior notes with principal amount of RMB31.903 billion (approximately USD4.527 billion) starting from August 2024.

As further disclosed in Note 42, in July and August 2024, certain subsidiaries of the Company received winding-up petitions in relation to the non-repayment of Trillion Glory Loan (as defined in Note 42). On 3 September 2024, the lenders appointed a receiver through the security agent in respect of the assets subject to security created in favour of the security agent. Furthermore, the Group has been involved in various litigation cases related to unrepaid borrowings, construction dispute and other matters for which the Group has made provision. Details are disclosed in Note 45 to the consolidated financial statements.

In view of these circumstances, the Directors have carefully considered the Group's cash flow forecast for the next 18 months from 31 December 2024 (the "Cash Flow Forecast") and have given due consideration to the matters that give rise to material doubt as to its ability to continue as a going concern, and accordingly, have come up with certain plans and measures to ensure the Group will have sufficient financial resources to continue as a going concern and pay its debts when they fall due. Certain plans and measures have been taken or will be taken to enable the Group to have sufficient financial resources to meet its financial commitments as and when they fall due which include, but not limited to, those set out in the Note 2.1(c) to the consolidated financial statements.

The consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the successful implementation of these plans and measures including, but not limited to:

1) the successful and timely formulation and implementation of the Restructuring plan (as defined in Note 2.1(c) to the consolidated financial statements);

2) the successful negotiation with existing lenders to extend, refinance or restructure of the Group's borrowings and not to demand immediate repayment until the Group generated sufficient cash flows therefrom;

3) the successful on disposal of its equity interest in certain project development companies to generate additional cash inflows;

4) the successful reaching a solution on the litigations which have not yet reached a definite outcome;

5) the successful accelerating the pre-sales and sales of its properties under development and completed properties, and to speed up the collection of outstanding sales proceeds and other receivables; and

6) the successful implementing of the Group's business strategy plan and cost control measures so as to improve the Group's working capital and cash flow position.

These indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern, and therefore that the Group may not be able to realise its assets and discharges its liabilities in the normal course of business. As a result of these multiple uncertainties, the potential interaction of these uncertainties, and the possible cumulative effect thereof, we were unable to form an opinion as to whether the going concern basis of preparation is appropriate.

Should the Group fail to achieve the intended effects resulting from the plans and measures as mentioned in Note 2.1(c) to the consolidated financial statements, it might not be able to operate as a going concern, and adjustments would have to be made to write down the carrying amounts of the Group's assets to their net realisable amounts, to provide for any further liabilities that may arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

Additional matter - Comparability of the current year's figures and corresponding figures in respect of deferred income tax assets

The Group had deferred income tax assets of RMB0.1 billion arising from unused tax losses and deductible temporary differences of certain group entities under different operating segments of the Group as at 31 December 2023. Such amount was included in the deferred income tax assets of RMB13.061 billion as disclosed in Note 26. In addition, the Group recognised RMB2.147 billion in relation to reversal of deferred income tax assets in profit or loss that was included in the income tax expenses of RMB5.832 billion in the consolidated income statement for the year ended 31 December 2023.

We have issued a qualified opinion on the Group's consolidated financial statements for the year ended 31 December 2023 since we were unable to determine whether the income tax expense of RMB2.147 billion in respect of these group entities recognised in the income tax expenses during the year ended 31 December 2023 should have been recognised in the previous years. Any adjustments found necessary would have a consequential impact on the financial performance for the year ended 31 December 2023 and the related disclosures in these consolidated financial statements.

Our opinion on the consolidated financial statements for the year ended 31 December 2024 is modified because of the possible effects of this matter on the comparability of the current year's figures and the corresponding figures for the year ended 31 December 2023 in the consolidated income statement, the consolidated statement of comprehensive income and the consolidated statement of changes in equity.

Directors' Responsibilities for the Consolidated Financial Statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors 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 either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA and to issue an auditor's report. This report is made solely to you, as a body, in accordance with the terms of our engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

However, due to the potential interaction of the multiple uncertainties relating to going concern and their possible cumulative effect on the consolidated financial statements as described in the "Basis for Disclaimer of Opinion" section of our report, it is not possible for us to form an audit opinion on these consolidated financial statements.

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.

BDO Limited
Certified Public Accountants
Chau Ka Kin
Practising Certificate no: P07445
Hong Kong, 28 March 2025

(All amounts in RMB Yuan thousands unless otherwise stated)

	Notes	As at 31 December 2024	2023
ASSETS			
Non-current assets			
Property, plant and equipment	6	**20,576,442**	44,306,750
Right-of-use assets	7	**3,355,047**	9,327,516
Investment properties	8	**29,459,220**	31,743,200
Intangible assets	9	**512,896**	567,837
Interests in joint ventures	11	**7,548,961**	7,828,582
Interests in associates	12	**3,516,579**	3,623,859
Deferred income tax assets	26	**8,891,922**	10,340,403
Financial assets at fair value through other comprehensive income ("FVOCI")	13	**4,343,684**	405,392
Other financial assets	17	**246,981**	390,747
		78,451,732	108,534,286
Current assets			
Properties under development	15	**122,211,099**	138,317,971
Completed properties held for sale	16	**41,764,488**	41,098,408
Inventories		**1,205,425**	1,047,614
Trade and other receivables and prepayments	18	**38,942,472**	35,409,691
Contract assets	5	**–**	412,014
Tax prepayments		**4,153,808**	4,305,639
Restricted cash	19	**3,076,424**	4,015,402
Cash and cash equivalents	20	**787,385**	1,727,204
		212,141,101	226,333,943
Total assets		**290,592,833**	334,868,229
EQUITY			
Equity attributable to owners of the Company			
Share capital	21	**3,752,367**	3,752,367
Other reserves	22	**9,095,322**	11,655,625
Retained earnings		**3,074,750**	18,287,878
		15,922,439	33,695,870
Non-controlling interests		**12,534,276**	12,696,292
Total equity		**28,456,715**	46,392,162

(All amounts in RMB Yuan thousands unless otherwise stated)

	Notes	As at 31 December 2024	2023
LIABILITIES			
Non-current liabilities			
Long-term borrowings	24	**8,875,691**	78,802,342
Lease liabilities	7	**33,510**	316,067
Deferred income tax liabilities	26	**8,305,955**	10,386,790
Other payables	23	**1,104,307**	1,931,523
		18,319,463	91,436,722
Current liabilities			
Accruals and other payables	23	**101,044,115**	95,682,326
Contract liabilities	5	**23,530,371**	29,095,876
Current income tax liabilities	27	**24,695,455**	23,313,225
Short-term borrowings	24	**454,380**	4,758,997
Current portion of long-term borrowings	24	**93,687,778**	43,742,837
Lease liabilities	7	**19,369**	62,603
Dividend payable		**369,787**	369,981
Derivative financial instruments	25	**15,400**	13,500
		243,816,655	197,039,345
Total liabilities		**262,136,118**	288,476,067
Total equity and liabilities		**290,592,833**	334,868,229

The notes on pages 50 to 142 are an integral part of these consolidated financial statements.

The consolidated financial statements on pages 43 to 142 were approved by the Board of Directors on 28 March 2025 and were signed on its behalf.

Li Sze Lim
Director

Zhang Hui
Director

CONSOLIDATED INCOME STATEMENT

(All amounts in RMB Yuan thousands unless otherwise stated)

	Notes	Year ended 31 December 2024	2023
Revenue	5	**17,701,425**	36,238,835
Cost of sales	30	**(18,525,325)**	(34,319,596)
Gross (loss)/profit		**(823,900)**	1,919,239
Other income/(expense)	28	**245,664**	(206,796)
Other losses – net	29	**(3,666,451)**	(3,376,903)
Selling and marketing costs	30	**(1,060,940)**	(1,465,353)
Administrative expenses	30	**(3,428,724)**	(4,486,204)
Net impairment losses on financial and contract assets		**(527,697)**	(232,646)
Operating loss		**(9,262,048)**	(7,848,663)
Finance costs – net	32	**(5,908,871)**	(6,240,462)
Share of results of joint ventures		**4,133**	(404,625)
Share of results of associates		**(108,590)**	378,240
Loss before income tax		**(15,275,376)**	(14,115,510)
Income tax expenses	33	**(2,513,614)**	(5,831,728)
Loss for the year		**(17,788,990)**	(19,947,238)
Loss attributable to:			
– Owners of the Company		**(17,709,538)**	(20,164,485)
– Non-controlling interests		**(79,452)**	217,247
		(17,788,990)	(19,947,238)
Basic and diluted losses per share for loss attributable to owners of the Company (expressed in RMB Yuan per share)	34	**(4.7196)**	(5.3738)

The notes on pages 50 to 142 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(All amounts in RMB Yuan thousands unless otherwise stated)

	Notes	Year ended 31 December 2024	2023
Loss for the year		**(17,788,990)**	(19,947,238)
Other comprehensive (loss)/income, net			
Items that will not be reclassified to profit or loss			
– Change in the fair value of financial assets at fair value through other comprehensive income, net of tax	22	**(226,690)**	(147,176)
Items that may be reclassified to profit or loss			
– Share of other comprehensive income of joint ventures and associates accounted for using the equity method	22	**1,348**	200
– Reclassification of currency translation differences on disposal of foreign operations	22	**113,934**	–
– Currency translation differences	22	**47,515**	(406,366)
Other comprehensive loss for the year, net of tax		**(63,893)**	(553,342)
Total comprehensive loss for the year		**(17,852,883)**	(20,500,580)
Total comprehensive (loss)/income attributable to:			
– Owners of the Company		**(17,773,431)**	(20,717,827)
– Non-controlling interests		**(79,452)**	217,247
		(17,852,883)	(20,500,580)

The notes on pages 50 to 142 are an integral part of these consolidated financial statements.

(All amounts in RMB Yuan thousands unless otherwise stated)

	Attributable to owners of the Company					
	Share capital	**Other reserves**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
Balance at 1 January 2023	3,752,367	12,224,336	38,452,363	54,429,066	12,511,955	66,941,021
Comprehensive income						
Loss for the year	–	–	(20,164,485)	(20,164,485)	217,247	(19,947,238)
Other comprehensive income						
Change in the fair value of financial assets at fair value through other comprehensive income, net of tax	–	(147,176)	–	(147,176)	–	(147,176)
Share of other comprehensive income of joint ventures and associates accounted for using the equity method	–	200	–	200	–	200
Currency translation differences	–	(406,366)	–	(406,366)	–	(406,366)
Total other comprehensive income, net of tax	–	(553,342)	–	(553,342)	–	(553,342)
Total comprehensive income for the year	–	(553,342)	(20,164,485)	(20,717,827)	217,247	(20,500,580)
Transactions with owners						
Changes in ownership interests in subsidiaries without change of control	–	(15,369)	–	(15,369)	(6,230)	(21,599)
Distribution of profits from subsidiaries to minority shareholders	–	–	–	–	(26,680)	(26,680)
Total transactions with owners	–	(15,369)	–	(15,369)	(32,910)	(48,279)
Balance at 31 December 2023	3,752,367	11,655,625	18,287,878	33,695,870	12,696,292	46,392,162

(All amounts in RMB Yuan thousands unless otherwise stated)

	Attributable to owners of the Company					
	Share capital	**Other reserves**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
Balance at 1 January 2024	3,752,367	11,655,625	18,287,878	33,695,870	12,696,292	46,392,162
Comprehensive income						
Loss for the year	–	–	(17,709,538)	(17,709,538)	(79,452)	(17,788,990)
Other comprehensive income						
Change in the fair value of financial assets at fair value through other comprehensive income, net of tax	–	(226,690)	–	(226,690)	–	(226,690)
Share of other comprehensive income of joint ventures and associates accounted for using the equity method	–	1,348	–	1,348	–	1,348
Transfer on derecognition of then subsidiaries (Note 42)	–	(2,496,410)	2,496,410	–	–	–
Reclassification of currency translation differences on disposal of foreign operations	–	113,934	–	113,934	–	113,934
Currency translation differences	–	47,515	–	47,515	–	47,515
Total other comprehensive income, net of tax	–	(2,560,303)	2,496,410	(63,893)	–	(63,893)
Total comprehensive income for the year	–	(2,560,303)	(15,213,128)	(17,773,431)	(79,452)	(17,852,883)
Transactions with owners						
Distribution of profits from subsidiaries to minority shareholders	–	–	–	–	(82,564)	(82,564)
Total transactions with owners	–	–	–	–	(82,564)	(82,564)
Balance at 31 December 2024	3,752,367	9,095,322	3,074,750	15,922,439	12,534,276	28,456,715

The notes on pages 50 to 142 are an integral part of these consolidated financial statements.

(All amounts in RMB Yuan thousands unless otherwise stated)

	Notes	Year ended 31 December 2024	2023
Cash flows from operating activities			
Cash generated from operations	36(a)	**319,244**	1,798,602
Interest paid		**(1,400,295)**	(3,104,354)
Enterprise income tax and land appreciation tax paid		**(449,765)**	(257,013)
Net cash used in operating activities		**(1,530,816)**	(1,562,765)
Cash flows from investing activities			
Purchases of property, plant and equipment		**(74,708)**	(528,721)
Purchases of intangible assets		**(7,703)**	(5,764)
Purchases of financial assets at fair value through profit or loss		**–**	(136)
Additions of right-of-use assets		**(87)**	(85)
Additions of investment properties		**–**	(46,277)
Proceeds from disposals of investment properties		**45,558**	–
Proceeds from disposals of property, plant and equipment		**400**	798,148
Proceeds from disposals of intangible assets		**–**	1,259
Proceeds from disposals of right-of-use assets		**–**	159,608
Proceeds from disposals of joint venture		**353,669**	–
Proceeds from disposals of an associate		**66,000**	–
Investments in joint ventures		**–**	(12,430)
Acquisitions of subsidiaries, net of cash acquired		**–**	(22,841)
Disposals of subsidiaries and derecognition of then subsidiaries, net of cash		**407,880**	296,263
Cash receipts from the repayment of advances to related parties		**60,193**	89,687
Cash advances to related parties		**(15,034)**	(119,234)
Dividends and interest received on financial assets at fair value through other comprehensive income		**3,424**	5,596
Interest received		**44,855**	159,756
Proceeds from disposals of financial assets at fair value through other comprehensive income		**933**	–
Net cash generated from investing activities		**885,380**	774,829
Cash flows from financing activities			
Proceeds from borrowings, net of transaction costs		**883,656**	3,189,026
Proceeds from other payables		**34,670**	596,237
Repayments of other payables		**(226,027)**	(64,663)
Repayments of borrowings		**(1,248,288)**	(5,932,771)
Repayment to a shareholder of a joint venture		**(2,181)**	–
Repayments of principal of lease liabilities		**(32,243)**	(60,857)
Decrease in guarantee deposits for borrowings		**267,815**	2,178,439
Cash advances from related parties		**224,871**	501,195
Repayments to related parties		**(216,165)**	(76,085)
Distribution of profits from two subsidiaries to minority shareholders		**(6,439)**	–
Net cash (used in)/generated from financing activities		**(320,331)**	330,521
Net decrease in cash and cash equivalents		**(965,767)**	(457,415)
Exchange gains		**25,948**	7,599
Cash and cash equivalents at beginning of year	20	**1,727,204**	2,177,020
Cash and cash equivalents at end of year		**787,385**	1,727,204

The notes on pages 50 to 142 are an integral part of these consolidated financial statements.

1. GENERAL INFORMATION

Guangzhou R&F Properties Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") are principally engaged in the development and sale of properties, property investment, hotel operations and other property development related services in the People's Republic of China (the "PRC").

The Company is a limited liability company incorporated in the PRC. The address of its registered office is 45-54/F., R&F Center, No. 10 Hua Xia Road, Pearl River New Town, Guangzhou 510623, the PRC.

The shares of the Company have been listed on The Main Board of Stock Exchange of Hong Kong Limited since 14 July 2005.

These consolidated financial statements are presented in RMB Yuan (RMB), unless otherwise stated. These consolidated financial statements were approved by the Board of Directors for issue on 28 March 2025.

2. SUMMARY OF ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements are for the Group consisting of the Company and its subsidiaries.

2.1 Basis of preparation

(a) Compliance with HKFRS Accounting Standards and HKCO

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622 of the Laws of Hong Kong ("HKCO").

(b) Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of hotel buildings and financial assets at fair value through other comprehensive income, other financial assets and investment properties which are carried at fair value.

The preparation of financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

(c) Going concern basis

The Group incurred a loss attributable to the owners of the Company of RMB17.710 billion for the year ended 31 December 2024 and as of that date, the Group's current liabilities were in excess of current assets by approximately RMB31.676 billion. The Group's total bank borrowings, domestic bonds, senior notes and other borrowings (included in short-term borrowings, long-term borrowings and current portion of long term borrowings and accruals and other payables) amounted to RMB113.549 billion, of which RMB103.569 billion will be due for repayment within the next 12 months while the Group has total cash including restricted cash of RMB3.864 billion only.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (continued)

(c) Going concern basis (continued)

Moreover, as at 31 December 2024, the Group was unable to repay certain bank and other borrowings of RMB26.362 billion according to their scheduled repayment dates, and subsequent to 31 December 2024 and up to the date of approval of these consolidated financial statements, the Group was unable to repay certain bank and other borrowings of RMB9.463 billion that are due for repayment. As a result, certain bank borrowings and other borrowings with an aggregate principal amount of RMB88.475 billion became default or cross-default. The Group has received certain demand letters, acceleration notices and legal letters with respect to these default borrowings.

In view of the Group's tight liquidity position, the Group failed to pay the interests amounting to RMB1.042 billion (approximately USD147 million) of three senior notes with principal amount of RMB31.903 billion (approximately USD4.527 billion) starting from August 2024.

In July and August 2024, certain subsidiaries of the Company received winding-up petitions in relation to the non-repayment of a loan. On 3 September 2024, the lenders appointed a receiver through the security agent in respect of the assets subject to security created in favour of the security agent (refer to note 42 for the details). Furthermore, the Group has been involved in various litigation cases related to unrepaid borrowings, construction disputes and other matters for which the Group has made provision.

In view of these circumstances, the directors of the Company (the "Directors") have carefully considered the Group's cash flow forecast for the next 18 months from 31 December 2024 and have given due consideration to the matters that give rise to material doubt as to its ability to continue as a going concern, and accordingly, have come up with certain plans and measures to ensure the Group to have sufficient financial resources to continue as a going concern and pay its debts when they fall due. Certain plans and measures have been taken or will be taken to enable the Group to have sufficient financial resources to meet its financial commitments as and when they fall due which include, but not limited to, the following:

– The Company and its advisors have been engaged in dialogue with its stakeholders on the proposed restructuring (the "Restructuring") of its offshore debt (the "In-Scope Debt"), in an effort to reach a solution under which all of its stakeholders will be treated fairly. The In-Scope Debt comprises three 6.5% Cash/7.5% PIK Senior Notes as defined in note 24(c) due in 2025, 2027 and 2028 respectively issued by Easy Tactic Limited (the "Notes Issuer"), a subsidiary of the Company, and any other financial indebtedness of the Group as designated by the Company, the Notes Issuer and R&F Properties (HK) Company Limited ("R&F (HK)", and together with the Company and the Notes Issuer, the "Transaction Companies") at their sole discretion;

  As of the date of approval of these financial statements, the progress of the Restructuring is as follows:

  • On 16 December 2024, the Company announced a restructuring proposal for the Restructuring and the related terms of the restructuring support agreement (the "RSA"). The Restructuring is expected to be implemented through a scheme of arrangement in the English court and/or court of other applicable jurisdiction in the sole discretion of the Transaction Companies, and/or to the extent that the Notes Issuer and the Company deem that it is necessary, through any other consent solicitation, corporate action, legal proceedings or other procedure or step commenced for the primary purpose of implementing the Restructuring.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (continued)

(c) Going concern basis (continued)

- The Restructuring will involve, among other things, a full release of the scheme creditors' claims in exchange for the restructuring consideration, all In-Scope Debt shall be cancelled and all guarantees and securities (if any) in connection with the In-Scope Debt will be released and extinguished. For the details of the Restructuring plan, please refer to the announcement of the Company dated 16 December 2024.

- As of the date of approval of these financial statements, the Restructuring is still in progress. The Transaction Companies with the assistance with their advisors, are in active discussions with the major holders of the In-Scope Debt. The Restructuring entails a significant deleveraging of the Group's offshore indebtedness, which will enable the Company to better manage its operations and deliver long-term value for its stakeholders upon consummation. The Group will continue to maintain active communication with offshore creditors and strive to obtain support from relevant creditors to accede to the RSA as soon as possible, so as to complete the remaining implementation steps of the Restructuring.

– The Group is actively in discussions with other existing lenders to extend, refinance or restructure of the Group's borrowings and not to demand immediate repayment until the Group generated sufficient cash flows. These discussions have been constructive and focused on possible actions in light of current circumstances but do require time to formulate or implement due to ongoing changes in market conditions. In addition, the Group will continue to seek for new sources of financing or accelerate asset sales to address upcoming financial obligations and future operating cash flow requirements whilst engaging in existing lenders;

– Subsequent to the completion of the disposal of the Company's equity interest and shareholder's loan in a subsidiary with property development project in London in May 2024, the Group will continue to seek suitable opportunities to dispose of the equity interest in certain project development companies to generate additional cash inflows. The Group's properties are predominantly located in higher-tier cities that make them relatively more attractive to potential buyers and retain a higher value in current market conditions;

– The Group has been proactive in seeking ways to settle the outstanding litigations of the Group. The Group is confident that it will be able to reach a solution to address the named litigations but also dispute claims referred in litigations where the outcome is not certain at this stage;

– The Group will continue to implement measures to accelerate the pre-sales and sales of its properties under development and completed properties, and to speed up the collection of outstanding sales proceeds and other receivables. The Group will also continue to actively adjust sales and pre-sale activities to better respond to changing markets to achieve the latest budgeted sales and pre-sales volumes and amounts; and

– The Group has already made significant adjustments to control administrative costs and contain unnecessary capital expenditures to preserve liquidity. The Group will continue to actively assess additional measures to further reduce discretionary spending.

The Directors considered that, taking into account the above mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due for at least 12 months from 31 December 2024. Accordingly, the Directors are of the opinion that it is appropriate to prepare the consolidated financial statements of the Group for the year ended 31 December 2024 on a going concern basis.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (continued)

(c) Going concern basis (continued)

However, the validity of the going concern assumption depends upon the successful outcome of the Group's plans and measures, including:

(i) the successful and timely formulation and implementation of the Restructuring plan;

(ii) the successful negotiation with existing lenders to extend, refinance or restructure of the Group's borrowings and not to demand immediate repayment until the Group generated sufficient cash flows therefrom;

(iii) the successful on disposal of its equity interest in certain project development companies to generate additional cash inflows;

(iv) the successful reaching a solution on the litigations which have not yet reached a definite outcome;

(v) the successful accelerating the pre-sales and sales of its properties under development and completed properties, and to speed up the collection of outstanding sales proceeds and other receivables; and

(vi) the successful implementing of the Group's business strategy plan and cost control measures so as to improve the Group's working capital and cash flow position.

These indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern, and therefore that the Group may not be able to realise its assets and discharges its liabilities in the normal course of business.

Should the Group fail to achieve the intended effects resulting from the above-mentioned plans and measures on a timely basis, it may not be unable to operate as a going concern, and adjustments would have to be made to write down the carrying amounts of the assets to their net recoverable amounts, to provide for any further liabilities that may arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

(d) New standards, interpretations and amendments first effect on 1 January 2024

The Hong Kong Institute of Certified Public Accountants (the "HKICPA") has issued new and amendments to HKFRS Accounting Standards that are first adopted for the current accounting period for the Group:

Standards	Subject
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants ("2022 Amendments")
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HK Int 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

(All amounts in RMB Yuan thousands unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (continued)

(d) New standards, interpretations and amendments first effect on 1 January 2024 (continued)

None of these new and amendments to HKFRS Accounting Standards has a material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements. The Group has not early applied any new or amendments to HKFRS Accounting Standards that is not yet effective for the current accounting period.

(e) New standards, interpretations and amendments HKFRS Accounting Standards that have been issued but are not yet effective

The following new and amendments to HKFRS Accounting Standards have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Standards	Subject	Effective for annual periods beginning on or after
Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group is currently assessing the effect of these new accounting standards and amendments.

HKFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the HKICPA in July 2024 supersedes HKAS 1 and will result in major consequential amendments to HKFRS Accounting Standards including HKAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though HKFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

The adoption of HKFRS 19 is optional. HKFRS 19 specifies the disclosure requirements that an entity is permitted to apply to substitute the disclosure requirements in other HKFRS Accounting Standards. The Company's shares are listed and traded in The Stock Exchange of Hong Kong Limited. Therefore, it has public accountability according to HKFRS 19 and does not qualify for electing to apply the standard to prepare its financial statements.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

2.2 Principles of consolidation and equity accounting

(a) Subsidiaries

Subsidiaries are all entities 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

(b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see Note 2.2(d) below), after initially being recognised at cost.

(c) Joint arrangements

Under HKFRS 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, as well as the legal structure of the joint arrangement. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures.

Interests in joint ventures are accounted for using the equity method (see Note 2.2(d) below), after initially being recognised at cost in the consolidated balance sheet.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

2.2 Principles of consolidation and equity accounting (continued)

(d) Equity accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.7.

(e) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in RMB, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "Finance costs – net". All other foreign exchange gains and losses are presented in the income statement within "Other losses – net".

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognised in other comprehensive income.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

2.3 Foreign currency translation (continued)

(c) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(ii) income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate at the dates of the transactions); and

(iii) all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.4 Property, plant and equipment

Hotel buildings are carried at fair value at the date of revaluation, less subsequent depreciation and any subsequent accumulated impairment loss. A revaluation surplus is credited to other reserves in shareholders' equity.

All other property, plant and equipment are stated at historical cost less depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the income statement during the reporting period in which they are incurred.

Increases in the carrying amounts arising on revaluation of hotel buildings are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

2.4 Property, plant and equipment (continued)

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

– Office buildings	20-30 years
– Hotel buildings	20-40 years
– Furniture, fixtures and equipment	3-5 years
– Transportation equipment	4-15 years
– Machinery	5-10 years

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.7).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are recognised within "Other gains – net" in the income statement. When revalued assets are sold, any amounts included in other reserves in respect of those assets are transferred to retained earnings.

Assets under construction are stated at historical cost less accumulated impairment losses, if any. Historical cost includes direct costs of construction, amortisation of land use rights being developed and finance costs arising from borrowings used to finance these assets during the period of construction. No provision for depreciation is made on assets under construction. When the construction activities necessary to prepare the assets for their intended use are completed, the costs are transferred to property, plant and equipment and depreciated in accordance with the policy as stated in the preceding paragraphs.

2.5 Investment properties

Investment properties, principally office buildings, retail buildings and warehouse, are held for long-term rental yields and are not occupied by the Group. Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. Subsequently, they are carried at fair value. Changes in fair values are recorded in the income statement as part of "Other gains – net".

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

2.6 Intangible assets

(a) Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments (Note 5).

(b) Construction licence

Construction licence acquired in a business combination is recognised at fair value at the acquisition date. The directors of the Group are of the view that the Group has both intention and ability to renew the construction licence continuously and the useful life of the construction licence is considered as indefinite. Construction licence is tested annually for impairment and subsequently carried at cost less accumulated impairment losses.

(c) Software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of five years.

(d) Other intangible assets

The Group operates a football club. The costs associated with the acquisition of players' registrations are capitalised as intangible assets at the fair value of the consideration payable, including an estimate of the fair value of any contingent consideration. Costs associated with the acquisition of players' registrations include transfer fees, agents' fees and other directly attributable costs. These costs are amortised over the period covered by the player's contract or best estimated based on the player's physical conditions. To the extent that a player's contract is extended, the remaining book value is amortised over the remaining revised contract life.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

2.7 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life – for example, goodwill or construction license – are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting period.

2.8 Investments and other financial assets

(a) 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 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 other comprehensive income. 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.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

2.8 Investments and other financial assets (continued)

(c) 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, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

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. The Group classified its debt instruments into the following measurement category:

- 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.

  Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "Other losses – net". Impairment losses are presented as separate line item in the income statement. Interest income from these financial assets is included in "Other (expense)/income" using the effective interest method.

- Fair value through other comprehensive income ("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 losses – net". 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 losses – net", and impairment losses are presented as separate line item in the income statement.

- Fair value through profit or loss ("FVTPL"): Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in income statement and presented net within "Other losses" in the period in which it arises.

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 other comprehensive income, 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.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

2.8 Investments and other financial assets (continued)

(d) Impairment

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

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial assets.

For trade receivables and contract assets, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the assets. The provision matrix is determined based on historical observed default rates over the expected life of the trade receivables and contract assets with similar credit risk characteristics and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Impairment on other receivables from third parties and related parties are 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 losses.

2.9 Financial liabilities and equity instruments

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.

Derecognition or modification of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss. Except for changes in the basis for determining the contractual cash flows as a result of interest rate benchmark reform in which the Group applies the practical expedient, when the contractual terms of a financial liability are modified, the Group assesses whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors. If qualitative assessment is not conclusive, the Group considers that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. Accordingly, such modification of terms is accounted for as an extinguishment, and any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. The exchange or modification is considered as non-substantial modification when such difference is less than 10%. For non-substantial modifications of financial liabilities that do not result in derecognition, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows discounted at the financial liabilities' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial liabilities and are amortised over the remaining term. Any adjustment to the carrying amount of the financial liability is recognised in profit or loss at the date of modification.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

2.10 Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under HKFRS 9 Financial Instruments; and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15 Revenue from Contracts with Customers.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates and joint venture are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

2.11 Properties under development

Properties under development are stated at the lower of cost and net realisable value. Net realisable value is determined by reference to the sale proceeds of properties in the ordinary course of business, less applicable selling expenses and the anticipated costs to completion, or by management estimates based on prevailing marketing conditions.

Development cost of property comprises costs of lands and land use rights, construction costs and capitalised finance costs incurred during the development period. Upon completion, the properties are transferred to completed properties held for sale.

Properties under development are classified as current assets unless the construction period of the relevant property development project is expected to complete beyond normal operating cycle.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

2.12 Completed properties held for sale

Completed properties held for sale are stated at the lower of cost and net realisable value. Cost comprises development costs attributable to the unsold properties. Net realisable value is determined by reference to management estimates based on prevailing market conditions less estimated costs to be incurred in selling the property.

2.13 Inventories

Inventories principally comprise construction materials, which are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

2.14 Trade and other receivables

Trade receivables are amounts due from customers in respect of sale of properties, provision of construction, hotel and property management services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade and other receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 18 for further information about the Group's accounting for trade and other receivables and Note 3.1(b) for a description of the Group's impairment policies.

2.15 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank deposits which are restricted to use are included in "restricted cash". Restricted cash are excluded from cash and cash equivalents in the consolidated statement of cash flows.

2.16 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.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

2.17 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payable are presented 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 and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.18 Borrowings

Borrowings are initially recognised 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 pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.19 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

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.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

2.20 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the reporting period in the countries where the Company and its subsidiaries, associates and joint ventures operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and consider whether it is probable that a transaction tax authority will accept an uncertain tax treatment. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The deferred income tax liability in relation to investment properties that is measured at fair value is determined assuming the property will be recovered entirely through sale.

Deferred income tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

2.20 Current and deferred income tax (continued)

(b) Deferred income tax (continued)

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint ventures, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the associate's undistributed profits is not recognised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

2.21 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(b) Employee leave entitlements

Employee entitlements to accumulating annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date. Employee entitlements to sick leave and maternity leave that are non-cumulative are not recognised until the time of leave.

(c) Bonus entitlements

The expected cost of bonus payments is recognised as a liability when the Group has a present constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

The Group's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employee have earned in the current and prior periods and discounting that amount. For LSP obligation under the Hong Kong Employment Ordinance, the estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group's MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

2.22 Provisions

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 can be reliably estimated. Provisions are not recognised for future operating losses.

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 management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2.23 Revenue recognition

(a) Property development

Revenues are recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may be transferred over time or at a point in time. Control of the asset is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer; or
- creates and enhances an asset that the customer controls as the Group performs; or
- do not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The progress towards complete satisfaction of the performance obligation is measured based on one of the following methods that best depict the Group's performance in satisfying the performance obligation:

- direct measurements of the value transferred by the Group to the customer; or
- the Group's efforts or inputs to the satisfaction of the performance obligation.

For property development and sales contracts for which the control of the property is transferred at a point in time, revenue is recognised when the customer obtains the physical possession or the legal title of the completed property and the Group has present right to payment and the collection of the consideration is probable.

For contract 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 significant financing component.

Incremental costs incurred to obtain a contract, if recoverable, are capitalised and subsequently amortised when the related revenue is recognised.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

2.23 Revenue recognition (continued)

(b) Rental income

Rental income is recognised in the income statement on a straight-line basis over the term of the lease.

(c) Hotel operations

Revenue from hotel operations is recognised in the accounting period in which the services are rendered.

(d) Others

For property management services contracts, the Group recognises revenue equal to the right to invoice amount when it corresponds directly with the value to the customer of the Group's performance to date, on a monthly basis.

2.24 Dividend income

Dividends are received from financial assets measured at fair value through other comprehensive income. Dividends are recognised as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of an investment. In this case, the dividend is recognised in other comprehensive income if it relates to an investment measured at fair value through other comprehensive income.

2.25 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.

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 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;
- 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 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.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

2.25 Leases (continued)

To determine the incremental borrowing rate, the Group 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.

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.

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.

Payments associated with short-term leases and 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 where the Group is a lessor is recognised in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

2.26 Interest income

Interest income on financial assets at amortised cost calculated using the effective interest method is recognised in the income statement as part of other 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).

(All amounts in RMB Yuan thousands unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign exchange risk

The Group principally operates in the PRC, Malaysia, Australia, the United Kingdom, Cambodia and Korea, and is exposed to foreign exchange risk, primarily with respect to HK dollars ("HKD") and US dollars ("USD"). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. The risk is measured through a forecast of highly probable HKD and USD expenditures.

The Group has not hedged its foreign exchange rate risk exposure. However, management of the Group monitors foreign exchange risk exposure and will consider hedging significant foreign exchange risk exposure should the need arise.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

The table below summarises the impact of changes in foreign exchange rates at 31 December 2024 with all other variables held constant on the Group's post-tax loss for the year:

	RMB against the foreign currency	
	weaken by 5%	**strengthen by 5%**
	increase/(decrease) in post-tax loss for the year	
Denominated in HKD		
Cash and cash equivalents	**53**	**(53)**
Restricted cash	**1**	**(1)**
Trade and other receivables	**138,729**	**(138,729)**
Other payables and accruals	**(133,360)**	**133,360**
Denominated in USD		
Cash and cash equivalents	**1,929**	**(1,929)**
Restricted cash	**244**	**(244)**
Trade and other receivables	**3,768**	**(3,768)**
Borrowings	**(1,693,777)**	**1,693,777**
Accruals and other payables	**(59,323)**	**59,323**

(All amounts in RMB Yuan thousands unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

The table below summarises the impact of changes in foreign exchange rates at 31 December 2023 with all other variables held constant on the Group's post-tax loss for the year:

	RMB against the foreign currency	
	weaken by 5%	strengthen by 5%
	increase/(decrease) in post-tax loss for the year	
Denominated in HKD		
Cash and cash equivalents	128	(128)
Restricted cash	29	(29)
Trade and other receivables	23,307	(23,307)
Other payables and accruals	(122,810)	122,810
Denominated in USD		
Cash and cash equivalents	2,069	(2,069)
Restricted cash	1,351	(1,351)
Trade and other receivables	3,437	(3,437)
Borrowings	(2,224,999)	2,224,999
Accruals and other payables	(57,528)	57,528
Contract assets	280	(280)

(ii) Interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During the year ended 31 December 2024 and 2023, the Group's borrowings at variable rate were mainly denominated in RMB, USD, GBP and AUD.

The Group closely monitors trend of interest rate and its impact on the Group's interest rate risk exposure. The Group currently has not used any interest rate swap arrangements but will consider hedging interest rate risk should the need arise.

The table below summarises the impact of changes in interest rate at 31 December 2024 with all other variables held at constant on the Group's post-tax loss for the year:

	Increase/(decrease) in post-tax loss for the year	
	2024	2023
Interest rate of long-term borrowings at variable rates – increase 0.25% (2023: 0.25%)	**92,418**	104,903
Interest rate of long-term borrowings at variable rates – decrease 0.25% (2023: 0.25%)	**(92,418)**	(104,903)

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(iii) Price risk

The majority of the Group's equity investments are publicly traded.

The Group's exposure to equity securities price risk arises from listed securities held by the Group and classified in the consolidated balance sheet as financial assets and other financial assets at FVOCI.

To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

The table below summarises the impact of increases or decreases of price of the stocks, which the Group purchased, on the Group's equity as at 31 December 2024. The analysis is based on the assumption that the stock price increased by 5% or decreased by 5% with all other variables held constant, and that all the Group's equity instruments moved in line with the price of each stock.

	Increase/(decrease) in other comprehensive income, net of tax	
	2024	2023
Price of each stock – increase 5%	**24,719**	43,589
Price of each stock – decrease 5%	**(24,719)**	(43,589)

(b) Credit risk

The extent of the Group's maximum exposure to credit risk is the aggregate carrying value of cash deposits in banks, trade and other receivables and contract assets and other financial assets.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition.

The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of receivables and adjusts for forwarding-looking information.

The Group has three types of assets that is subject to HKFRS 9's expected credit loss model:

- Trade and other receivables
- Contract assets
- Other financial assets measured as FVOCI

(All amounts in RMB Yuan thousands unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

While restricted cash and cash and cash equivalents are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

(i) Trade receivables and contract assets

The Group applies the simplified approach to providing for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables and contract assets.

The expected loss rate of trade receivables from related parties is not material. No loss allowance provision was recognized during the year.

To measure the expected credit losses, trade receivables from third parties and contract assets have been grouped based on shared credit risk characteristics and the days of initial recognition. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables from third parties are a reasonable approximation of the expected loss rates for the contract assets.

On that basis, the loss allowance for both trade receivables (excluding amounts due from related parties) and contract assets as at 31 December 2024 and 2023 was determined as follows:

At 31 December 2024	**Within 1 year**	**1 to 2 years**	**2 to 3 years**	**Over 3 years**	**Total**
Expected loss rate	**2.58%**	**3.32%**	**1.53%**	**26.28%**	
Gross carrying amount – trade receivables (excluding amounts due from related parties)	**1,076,209**	**199,582**	**378,323**	**737,612**	**2,391,726**
Loss allowance	**27,813**	**6,632**	**5,773**	**193,865**	**234,083**

At 31 December 2023	Within 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Expected loss rate	2.25%	1.82%	3.65%	27.07%	
Gross carrying amount – trade receivables (excluding amounts due from related parties)	1,707,892	470,009	291,235	624,612	3,093,748
Gross carrying amount – contract assets	421,498	–	–	–	421,498
Loss allowance	47,863	8,546	10,634	169,113	236,156

(All amounts in RMB Yuan thousands unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(i) Trade receivables and contract assets (continued)

The closing loss allowance for trade receivables and contract assets as at 31 December 2024 reconciled to the opening loss allowance as follows:

	Trade receivables		Contract assets	
	2024	2023	**2024**	2023
Opening loss allowance as at 1 January	**226,672**	201,013	**9,484**	41,332
Provision for/(reversal of) loss allowance recognised in profit or loss during the year	**10,892**	25,659	**(9,484)**	(31,848)
Disposal of subsidiaries	**(3,481)**	–	**–**	–
Closing loss allowance as at 31 December	**234,083**	226,672	**–**	9,484

(ii) Other receivables

As at 31 December 2024, parties of other receivables from related parties have a low risk of default and a strong capacity to meet contractual cash flows. The Group has assessed that the expected credit losses for the 12 months expected losses method. RMB2,331,000 loss allowance provision was recognised during the year (2023: RMB2,969,000).

The closing loss allowance for other receivables as at 31 December 2024 was reconciled to the opening loss allowance as follows:

	2024	2023
Opening loss allowance as at 1 January	**678,786**	439,951
Provision for loss allowance recognised in profit or loss during the year	**526,289**	238,835
Deconsolidation of then subsidiaries	**(166,155)**	–
Written off as uncollectible	**(346,051)**	–
Closing loss allowance as at 31 December	**692,869**	678,786

For the year ended 31 December 2024, the provision for loss allowances were recognised in profit or loss in "net impairment losses on financial and contract assets" in relation to the impaired other receivables.

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk

Management of the Group aims to maintain sufficient cash and cash equivalents including proceeds from pre-sale of properties, short-term and long-term borrowings, available funding through adequate amount of credit lines for which the Group has obtained non-binding letters of intent or strategic cooperation letters from certain domestic banks, to meet its construction and investment commitments.

The Group has a number of alternative plans to mitigate the potential impacts on anticipated cash flows should there be significant adverse changes in economic environment. These include controlling investments in land banks, adjusting project development timetable to adapt to changing local real estate market environment, implementing cost control measures, accelerating sales of properties with more flexible pricing, seeking joint venture partners to co-develop quality projects, and disposing of certain investment properties with acceptable prices to the Group. The Group will, based on its assessment of the relevant costs and benefits, pursue such options as are appropriate.

(All amounts in RMB Yuan thousands unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
At 31 December 2024					
Borrowings (Note (i))	**98,598,841**	**7,475,108**	**4,570,932**	**2,907,578**	**113,552,459**
Lease liabilities	**22,530**	**16,038**	**12,743**	**11,405**	**62,716**
Financial liabilities as included in trade and other payables and accruals (excluding accruals for staff costs and allowance and other taxes payable)	**54,239,356**	**890,358**	**250,938**	**-**	**55,380,652**
Guarantees in respect of mortgage facilities granted to purchasers of the Group's properties	**51,985,832**	**-**	**-**	**-**	**51,985,832**
Guarantees in respect of borrowings of joint ventures and associates	**4,838,112**	**3,165,095**	**486,739**	**2,269,298**	**10,759,244**
Derivative financial instruments	**15,400**	**-**	**-**	**-**	**15,400**

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
At 31 December 2023					
Borrowings (Note (i))	55,167,331	29,272,414	51,632,942	11,032,512	147,105,199
Lease liabilities	80,443	76,370	175,041	112,103	443,957
Financial liabilities as included in trade and other payables and accruals (excluding accruals for staff costs and allowance and other taxes payable)	48,165,296	8,864,068	1,602,981	1,991,351	60,623,696
Guarantees in respect of mortgage facilities granted to purchasers of the Group's properties	63,734,066	–	–	–	63,734,066
Guarantees in respect of borrowings of joint ventures and associates	2,690,085	5,149,676	3,860,578	1,027,270	12,727,609
Derivative financial instruments	13,500	–	–	–	13,500

Note:

(i) Interest on borrowings is calculated on borrowings held as at 31 December 2024 and 2023 respectively. Floating-rate interest is estimated using the current interest rate as at 31 December 2024 and 2023 respectively.

(All amounts in RMB Yuan thousands unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (Continued)

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern so that they can continue to provide returns for equity holders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group will consider the macro economic conditions, prevailing borrowing rate in the market and adequacy of cash flows generated from operations and may raise funding through capital market or bank borrowings as necessary.

Consistent with others in the industry, the Group monitors capital on the basis of gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the consolidated balance sheet) less cash and cash equivalents and restricted cash.

The gearing ratios at 31 December 2024 and 2023 are as follows:

	2024	2023
Total borrowings	**103,017,849**	127,304,176
Less: cash and cash equivalents	**(787,385)**	(1,727,204)
restricted cash	**(3,076,424)**	(4,015,402)
Net debt	**99,154,040**	121,561,570
Total equity	**28,456,715**	46,392,162
Gearing ratio	**348%**	262%

3.3 Fair value estimation

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level is as follow:

- Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

- Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(All amounts in RMB Yuan thousands unless otherwise stated)

. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (continued)

The table below analyses the Group's financial instruments carried at fair value as at 31 December 2024 and 2023 by level of the inputs to valuation techniques used to measure fair value:

	2024	2023
Financial assets at FVOCI		
Level 1	**309,161**	403,392
Level 3 (Note (a))	**4,034,523**	2,000
	4,343,684	405,392
Other financial assets		
Level 1	**246,981**	390,747
	4,590,665	796,139

Note:

(a) Financial instruments in level 3

The fair value of the Group's investment in unlisted private funds recognised as financial assets at FVOCI amounted to approximately RMB800,000 was revalued as at 31 December 2024 by an independent and professionally qualified valuer. The valuation is performed based on the market approach by reference to quoted market prices for similar instruments, maximising the use of observable market data where it is available and relying as little as possible on entity specific estimates. The financial assets at FVOCI were included in level 3 as the valuation involves the use of certain factors (unobservable inputs) to adjust the data derived from increasingly volatile markets to arrive at the estimated fair value for these unquoted equity investments. The fair value change on the equity investments was included in "other comprehensive income".

The fair value of the Group's financial assets at FVOCI amounted to approximately RMB4,033,723,000 represented the derecognition of then subsidiaries (Note 42 and 43).

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Enterprise income taxes and deferred income tax

The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the provision for enterprise income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised as management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and income tax expenses or other comprehensive income in the periods in which such estimate is changed.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(b) PRC land appreciation taxes

PRC land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sale of properties less deductible expenditures including sales charges, borrowing costs and all property development expenditures.

The Group is subject to land appreciation taxes in the PRC which has been included in the income tax expenses of the Group. However, the implementation of these taxes varies amongst various cities in the PRC and the Group has not finalised its land appreciation tax returns for certain years with various tax authorities. Accordingly, significant 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 recognised these 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 the income tax expenses and provisions for land appreciation taxes in the period in which such determination is made.

(c) Fair value of investment properties

The fair value of investment properties is determined by using valuation technique. Details of the judgment and assumptions have been disclosed in Note 8.

(d) Provisions for impairment of properties under development, completed properties held for sale

Provision is made when events or changes in circumstances indicate that the carrying amounts may not be recoverable. For the purpose of assessing provision for impairment, properties under development and completed properties held for sale are grouped at the lowest levels for which there are separately identifiable cash flows. The recoverability of carrying amounts of properties under development and completed properties held for sale is assessed according to their recoverable amounts, taking into account for costs to completion based on past experience and net sales values based on prevailing market conditions. The assessment requires the use of judgement and estimates.

As at 31 December 2024, approximately RMB7,922,098,000 and RMB8,590,002,000 (2023: RMB8,302,605,000 and RMB7,568,307,000) of impairment was provided for properties under development and completed properties held for sale, respectively.

(e) Revenue recognition for property development activities

Revenue from sales of properties is recognised at a point in time when the buyer obtains control of the completed property. The Group may not change or substitute the property unit or redirect the property unit for another use due to the contractual restrictions with the customer and thus the property unit does not have an alternative use to the Group. Whether there is an enforceable right to payment depends on the terms of sales contract and the interpretation of the applicable laws that apply to the contract. Such determination requires the use of judgements. Management has also made judgement on when control of properties are transferred to customers.

The judgement on the right to payment associated with the property sales transaction and the transfer of control of properties would affect the Group's loss for the year and the carrying value of completed properties held for sale.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(f) Impairment of trade and other receivables, contract assets and other financial assets

The loss allowances for trade and other receivables, contract assets and other financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 3.

(g) Going concern assumptions

As stated in Note 2.1(c), the directors have prepared the consolidated financial statements for the year ended 31 December 2024 based on a going concern basis. The assessment of the going concern assumptions involves making judgement by the directors, about the future outcome of events or conditions which are uncertain. The Group's management formulated plans and measures to mitigate the liquidity pressure and improve the financial position of the Group and concluded that, taking into account these plans and measures, there will be sufficient funds to finance its future operations to maintain the Group as a going concern. Accordingly, the directors consider that the Group has the capability to continue as a going concern.

5. SEGMENT INFORMATION

(a) Description of segments and principal activities

The chief operating decision-maker has been identified as the Executive Directors. Management has determined the operating segments based on the information reviewed by the Executive Directors for the purpose of allocating resources and assessing performance.

As almost the entire Group's consolidated revenue and results are attributable to the market in the PRC and almost all of the Group's consolidated assets are located in the PRC, the Executive Directors consider the business mainly from product perspective. The Group is principally engaged in property development, property investment and hotel operations. Other services provided by the Group mainly represent property management and other related services. The results of these operations are included in the "all other segments" column.

The Executive Directors assess the performance of the operating segments based on a measure of loss for the year.

(All amounts in RMB Yuan thousands unless otherwise stated)

5. SEGMENT INFORMATION (Continued)

(b) Segment performance

The segment information provided to the Executive Directors for the reportable segments for the year ended 31 December 2024 and the segment assets and liabilities at 31 December 2024 are as follows:

	Property development	Property investment	Hotel operations	All other segments	Group
Segment revenue	11,519,096	1,008,309	4,432,575	1,129,680	18,089,660
Inter-segment revenue	(2,580)	(175,725)	(59,640)	(150,290)	(388,235)
Revenue from external customers	11,516,516	832,584	4,372,935	979,390	17,701,425
Loss for the year	(12,881,369)	(414,004)	(3,619,016)	(874,601)	(17,788,990)
Finance costs – net	(4,804,065)	(251,670)	(612,587)	(240,549)	(5,908,871)
Share of results of joint ventures	3,367	–	–	766	4,133
Share of results of associates	(106,550)	–	–	(2,040)	(108,590)
Income tax (expenses)/credits	(2,926,188)	154,035	254,763	3,776	(2,513,614)
Depreciation and amortisation of property, plant and equipment, intangible assets and right-of-use assets	(282,278)	–	(1,081,333)	(277,521)	(1,641,132)
Amortisation of incremental costs for obtaining contracts with customers	(587,728)	–	–	–	(587,728)
Fair value change on other financial assets	–	–	–	(143,766)	(143,766)
(Allowance for)/reversal of impairment losses of financial and contract assets	(366,239)	191	(165,214)	3,565	(527,697)
Fair value losses on investment properties – net of tax	–	(735,157)	–	–	(735,157)
Segment assets	226,011,788	29,859,806	14,348,858	6,889,794	277,110,246
Segment assets include:					
Interests in joint ventures	7,546,846	–	–	2,115	7,548,961
Interests in associates	3,436,825	–	–	79,754	3,516,579
Addition to non-current assets (other than financial instruments and deferred income tax assets)	119,977	–	211,362	82,370	413,709
Segment liabilities	121,586,708	543,892	829,016	3,157,243	126,116,859

(All amounts in RMB Yuan thousands unless otherwise stated)

5. SEGMENT INFORMATION (Continued)

(b) Segment performance (continued)

The segment information provided to the Executive Directors for the reportable segments for the year ended 31 December 2023 and the segment assets and liabilities at 31 December 2023 are as follows:

	Property development (Note (i))	Property investment (Note (ii))	Hotel operations (Note (iii))	All other segments (Note (iii))	Group
Segment revenue	27,810,945	1,003,102	6,406,854	1,601,935	36,822,836
Inter-segment revenue	–	(175,834)	(41,874)	(366,293)	(584,001)
Revenue from external customers	27,810,945	827,268	6,364,980	1,235,642	36,238,835
Loss for the year	(16,948,019)	(1,208,353)	(904,227)	(886,639)	(19,947,238)
Finance costs – net	(4,865,875)	(299,408)	(878,445)	(196,734)	(6,240,462)
Share of results of joint ventures	(411,918)	–	–	7,293	(404,625)
Share of results of associates	385,345	–	–	(7,105)	378,240
Income tax (expenses)/credits	(6,217,625)	412,514	66,472	(93,089)	(5,831,728)
Depreciation and amortisation of property, plant and equipment, intangible assets and right-of-use assets	(345,717)	–	(1,551,851)	(214,981)	(2,112,549)
Amortisation of incremental costs for obtaining contracts with customers	(607,563)	–	–	–	(607,563)
Fair value change on other financial assets	–	–	–	(217,908)	(217,908)
(Allowance for)/reversal of impairment losses of financial and contract assets	(229,395)	606	(3,772)	(85)	(232,646)
Fair value losses on investment properties – net of tax	–	(1,511,403)	–	–	(1,511,403)
Segment assets	242,273,279	31,862,520	42,344,844	7,251,044	323,731,687
Segment assets include:					
Interests in joint ventures	7,827,259	–	–	1,323	7,828,582
Interests in associates	3,543,916	–	–	79,943	3,623,859
Addition to non-current assets (other than financial instruments and deferred income tax assets)	702,073	46,277	53,217	704,093	1,505,660
Segment liabilities	122,281,634	391,300	2,213,007	2,585,935	127,471,876

Sales between segments are carried out at arm's length. The revenue from external parties reported to the Executive Directors is measured in a manner consistent with that in the income statement.

Notes:

(i) Substantially all of the revenue from property development is recognised at a point in time.

(ii) All of the revenue from property investment is recognised on a straight-line basis over the term of the lease.

(iii) All of the revenue from hotel operations and all other segments is recognised over time.

(All amounts in RMB Yuan thousands unless otherwise stated)

5. SEGMENT INFORMATION (Continued)

(b) Segment performance (continued)

Revenue from external customers broken down by location of the customer is shown in the table below:

	2024	2023
PRC	**15,897,513**	34,210,324
Other countries	**1,803,912**	2,028,511
Total	**17,701,425**	36,238,835

Revenues from the individual countries included in “other countries” are not material. There was no revenue derived from a single external customer accounting for 10% or more of the Group’s revenue for the year ended 31 December 2024 (2023: nil).

(c) Segment assets

The amounts provided to the Executive Directors with respect to segment assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment.

The Group’s deferred income tax assets, financial assets at FVOCI and other financial assets are not considered to be segment assets but rather are managed on a central basis.

Reportable segments’ assets are reconciled to total assets as follows:

	2024	2023
Segment assets for reportable segments	**277,110,246**	323,731,687
Deferred income tax assets	**8,891,922**	10,340,403
Other financial assets	**246,981**	390,747
Financial assets at FVOCI	**4,343,684**	405,392
Total assets per consolidated balance sheet	**290,592,833**	334,868,229

Non-current assets, other than financial assets at FVOCI, other financial assets and deferred income tax assets (there are no employment benefit assets and rights arising under insurance contracts) broken down by location of the assets, is shown in the following:

	2024	2023
PRC	**61,789,684**	91,532,286
Other countries	**3,179,461**	5,865,458
Total	**64,969,145**	97,397,744

Non-current assets in the individual countries included in “other countries” are not material.

(All amounts in RMB Yuan thousands unless otherwise stated)

5. SEGMENT INFORMATION (Continued)

(d) Segment liabilities

The amounts provided to the Executive Directors with respect to segment liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment.

The Group's deferred and current income tax liabilities and borrowings are not considered to be segment liabilities but rather are managed on a central basis.

Reportable segments' liabilities are reconciled to total liabilities as follows:

	2024	2023
Segment liabilities for reportable segments	**126,116,859**	127,471,876
Deferred income tax liabilities	**8,305,955**	10,386,790
Current income tax liabilities	**24,695,455**	23,313,225
Short-term borrowings and current portion of long-term borrowings	**94,142,158**	48,501,834
Long-term borrowings	**8,875,691**	78,802,342
Total liabilities per consolidated balance sheet	**262,136,118**	288,476,067

(e) Assets and liabilities related to contracts with customers

The Group has recognised the following assets and liabilities related to contracts with customers:

	2024	2023
Contract assets	**–**	421,498
Loss allowance (Note 3.1(b))	**–**	(9,484)
Total contract assets	**–**	412,014
Capitalised costs to obtain contracts	**941,877**	1,383,038
Contract liabilities – property development and sales contracts	**23,012,005**	28,496,607
Contract liabilities – hotel operations and other contracts with customers	**518,366**	599,269
Total contract liabilities	**23,530,371**	29,095,876

(i) Significant changes in contract assets and liabilities

The loss allowance for contract assets decreased by RMB9,484,000 to Nil (2023: decreased by RMB31,848,000 to RMB9,484,000) during the current reporting period.

Contract liabilities from property development and sales contracts have decreased by RMB5,485,000,000 (2023: decreased by RMB17,029,000,000) as poor performance of contracted sales during the current reporting period.

(All amounts in RMB Yuan thousands unless otherwise stated)

5. SEGMENT INFORMATION (Continued)

(e) Assets and liabilities related to contracts with customers (continued)

(ii) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities:

	2024	2023
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Property development and sales contracts	**9,230,776**	22,162,951
Hotel operations and other contracts	**599,269**	684,765

(iii) Unsatisfied performance obligation

For sales of properties, the Group recognises revenue when or as the control of the asset is transferred to the purchaser. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and the day contracted with the customer exceeds one year, the transaction price allocated to these unsatisfied contracts is not disclosed as permitted by HKFRS 15.

For hotel operation services, they are rendered in a short period of time, which is generally less than a year, and the Group has elected the practical expedient for not to disclose the remaining performance obligations for this type of contracts.

For property management services, the Group recognises revenue in the amount that equals to the right to invoice which corresponds directly with the value to the customer of the Group's performance to date, on a monthly basis. The Group has elected the practical expedient for not to disclose the remaining performance obligations for this type of contracts. The majority of the property management services contracts do not have a fixed term.

(iv) Assets recognised from costs to obtain a contract

The Group recognised assets in relation to stamp duty, sales commissions and other costs directly attributable to obtaining a contract. This is presented within trade and other receivables and prepayments in the balance sheet. The asset is amortised in a pattern consistent with the recognition of the associated revenue.

	2024	2023
Capitalised costs to obtain contracts at 31 December	**941,877**	1,383,038
Amortisation recognised as cost of sales during the year	**(587,728)**	(607,563)

(All amounts in RMB Yuan thousands unless otherwise stated)

6. PROPERTY, PLANT AND EQUIPMENT

	Buildings						
	Office and others	Hotel	Furniture, fixtures and equipment	Transportation equipment	Machinery	Assets under construction	Total
At 1 January 2023							
Cost	4,893,133	42,503,418	2,391,908	1,207,929	2,213,967	6,259,127	59,469,482
Accumulated depreciation and impairment	(684,883)	(9,902,770)	(1,796,314)	(779,404)	(610,589)	–	(13,773,960)
Net book amount	4,208,250	32,600,648	595,594	428,525	1,603,378	6,259,127	45,695,522
Year ended 31 December 2023							
Opening net book amount	4,208,250	32,600,648	595,594	428,525	1,603,378	6,259,127	45,695,522
Additions	171,475	11	69,540	2,286	10,098	1,125,219	1,378,629
Disposals of subsidiaries	–	(259,259)	(17,448)	(191)	(341)	–	(277,239)
Assets under construction transferred to buildings	1,615,663	–	–	–	–	(1,615,663)	–
Disposals	(32,496)	(610,518)	(7,521)	(2,175)	(14,173)	(37,515)	(704,398)
Depreciation	(226,127)	(1,255,459)	(112,971)	(52,634)	(122,385)	–	(1,769,576)
Impairment	–	–	–	–	–	(156,236)	(156,236)
Exchange differences	(4,557)	–	348	62	(2)	144,197	140,048
Closing net book amount	5,732,208	30,475,423	527,542	375,873	1,476,575	5,719,129	44,306,750
At 31 December 2023							
Cost	6,629,445	41,293,702	2,378,556	1,170,827	2,184,505	5,875,365	59,532,400
Accumulated depreciation and impairment	(897,237)	(10,818,279)	(1,851,014)	(794,954)	(707,930)	(156,236)	(15,225,650)
Net book amount	5,732,208	30,475,423	527,542	375,873	1,476,575	5,719,129	44,306,750
Year ended 31 December 2024							
Opening net book amount	5,732,208	30,475,423	527,542	375,873	1,476,575	5,719,129	44,306,750
Additions	49	–	75,951	4,550	50,178	202,910	333,638
Disposals of subsidiaries and derecognition of then subsidiaries	(468)	(20,092,736)	(116,141)	(8,756)	(12,652)	(2,133,651)	(22,364,404)
Transfer from properties held for sale	110,381	–	–	–	–	–	110,381
Transfer from properties under developments	–	–	–	–	–	4,652	4,652
Disposals	–	(34,049)	(17,564)	(2,857)	(304)	(203)	(54,977)
Depreciation	(238,215)	(862,245)	(83,390)	(49,486)	(128,243)	–	(1,361,579)
Impairment	–	–	–	–	–	(264,372)	(264,372)
Exchange differences	9,479	–	(542)	(12,020)	2	(130,566)	(133,647)
Closing net book amount	5,613,434	9,486,393	385,856	307,304	1,385,556	3,397,899	20,576,442
At 31 December 2024							
Cost	6,749,383	13,056,335	1,737,930	987,011	2,109,659	3,662,271	28,302,589
Accumulated depreciation and impairment	(1,135,949)	(3,569,942)	(1,352,074)	(679,707)	(724,103)	(264,372)	(7,726,147)
Net book amount	5,613,434	9,486,393	385,856	307,304	1,385,556	3,397,899	20,576,442

(All amounts in RMB Yuan thousands unless otherwise stated)

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(a) Depreciation expense has been charged in the following categories:

	2024	2023
Selling and administrative expenses	**218,460**	248,037
Cost of sales	**1,143,119**	1,521,539
	1,361,579	1,769,576

Assets under construction mainly represent construction and other costs incurred for hotel buildings and a resort. For the year ended 31 December 2024, borrowing costs capitalised in assets under construction amounted to RMB141,158,000 (2023: RMB141,158,000). No borrowing cost was capitalised for the year ended 31 December 2024 (2023: borrowing costs were capitalised at the weighted average rate of 7.45%).

Borrowings are secured by office buildings, hotel buildings and assets under construction with a carrying amount of RMB9,045,068,000 (2023: RMB27,441,368,000).

(b) Carrying amounts that would have been recognised if hotel buildings were stated at cost

If hotel buildings were stated on the historical cost basis, the amounts would be as follows:

	2024	2023
Cost	**5,578,631**	33,840,131
Accumulated depreciation	**(2,638,240)**	(9,854,317)
Net book amount	**2,940,391**	23,985,814

(c) Fair value hierarchy

Changes arising on the revaluation are dealt with in other comprehensive income and are accumulated in the revaluation reserve, except that, when a deficit arises on revaluation, it will be charged to the profit or loss to the extent that it exceeds the amount held in the reserve in respect of that same asset immediately prior to revaluation.

When a surplus arises on revaluation, it will be credited to the profit or loss to the extent that a deficit on revaluation in respect of that same asset had previously been charged to the profit or loss.

As at 31 December 2024, all of the Group's hotel buildings were within level 3 of the fair value hierarchy as the valuations were arrived at by reference to certain significant unobservable inputs. There were no transfers between levels 1, 2 and 3 during the year.

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(d) Valuation processes of the Group

The Group measured its hotel buildings at fair value as at 31 December 2024 with the assistance of an independent qualified valuer not related to the Group.

The Group's finance department includes a team that reviews the valuations performed by the independent valuer for financial reporting purposes. This team reports directly to the senior management.

Regarding fair value of the hotel buildings as at 31 December 2024, the finance department:

- Verified all major inputs to the independent valuation report
- Held discussions with the independent valuer
- Performed calculation when applicable

As at 31 December 2023, management did not revaluate the hotel buildings considering that the carrying amount does not differ materially from that which would be determined using fair value.

(e) Valuation techniques

Fair value of the Group's hotel buildings is mainly the remaining balance after deduction of fair value of hotel lands from the fair value of hotel properties, which include land and buildings. Valuation of hotel properties and hotel lands were performed by the independent valuer.

The fair value of hotel properties, including land and building, is generally derived using the discounted cash flow approach, which derives the fair value by discounting the future net cash flow of hotel property to its present value by using an appropriate discount rate that reflects the rate of return required by a third party investor for similar type of properties.

Fair value of hotel lands is determined using the direct comparison method. The key inputs under this approach are the price per square metre from recent year sales of comparable lands in the subject localities (with similar location and size).

(All amounts in RMB Yuan thousands unless otherwise stated)

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(f) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements:

Description	Fair value at 31 December 2024	Valuation techniques	Unobservable inputs	Range of unobservable inputs at 31 December 2024	Relationship of unobservable inputs to fair value
Hotel buildings	9,486,393	Income capitalisation approach	Hotel properties – Discount rates	5%-5.5%	The higher the discount rates, the lower the fair value of hotel properties
			Hotel properties – Occupancy rates	0%-85%	The higher the occupancy rates, the higher the fair value of hotel properties
			Hotel properties – Room rate growth rates	2%-15%	The higher the room rate growth rates, the higher the fair value of hotel properties
			Average daily room rate (RMB/square metre)	0-1,871	The higher the daily room rate, the higher the fair value of hotel lands

7. LEASES

This note provides information for leases where the Group is a lessee.

(a) Amounts recognised in the consolidated balance sheet

The consolidated balance sheet shows the following amounts relating to leases:

	2024	2023
Right-of-use assets		
Land use rights	**3,306,745**	8,931,172
Office and transportation equipment	**–**	317,970
Buildings	**48,302**	78,374
	3,355,047	9,327,516
Lease liabilities		
Current	**19,369**	62,603
Non-current	**33,510**	316,067
	52,879	378,670

Additions to the right-of-use assets were RMB72,347,000 during the year ended 31 December 2024 (2023: RMB50,031,000).

(All amounts in RMB Yuan thousands unless otherwise stated)

7. LEASES (Continued)

(b) Amounts recognised in the consolidated income statement

The consolidated income statement shows the following amounts relating to leases:

	2024	2023
Depreciation charge of right-of-use assets		
Land use rights	230,569	269,477
Buildings	25,567	29,093
Transportation equipment	6,985	27,742
	263,121	326,312
Less: capitalised in assets under construction	(27,673)	(33,043)
	235,448	293,269
Interest expense (included in finance costs – net)	11,218	15,439
Expense relating to short-term leases and leases of low-value assets (included in administrative expenses)	12,208	13,931

The total cash outflow for leases in 2024 was RMB46,431,000 (2023: RMB79,873,000).

(c) The Group's leasing activities and how these are accounted for

The Group leases various land use rights, offices, warehouses, office and transportation equipment. Rental contracts are typically made for fixed periods of 2 to 60 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. 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 except for the airplanes and those with land use rights certificate.

(All amounts in RMB Yuan thousands unless otherwise stated)

8. INVESTMENT PROPERTIES

	Completed investment properties	Investment properties under construction	Total
Year ended 31 December 2023			
Opening balance at 1 January	32,099,398	1,650,202	33,749,600
Additions	–	46,277	46,277
Disposals	(587)	–	(587)
Currency translation differences	(38,748)	–	(38,748)
Fair value losses – net	(1,940,865)	(72,477)	(2,013,342)
Closing balance at 31 December	30,119,198	1,624,002	31,743,200
Year ended 31 December 2024			
Opening balance at 1 January	**30,119,198**	**1,624,002**	**31,743,200**
Disposals	**(38,747)**	**(22,741)**	**(61,488)**
Derecognition of then subsidiaries (Note 42)	**(1,298,500)**	**–**	**(1,298,500)**
Currency translation differences	**77,155**	**–**	**77,155**
Fair value losses – net	**(998,688)**	**(2,459)**	**(1,001,147)**
Closing balance at 31 December	**27,860,418**	**1,598,802**	**29,459,220**

(a) Amount recognised in the consolidated income statement for investment properties

	2024	2023
Rental income	**832,584**	827,268
Direct operating expenses from investment properties	**(79,236)**	(116,660)
Revaluation losses and fair value losses recognised in “other losses – net”	**(1,001,147)**	(2,013,342)

8. INVESTMENT PROPERTIES (Continued)

(b) Fair value hierarchy

An independent valuation of the Group's investment properties was performed by independent and professionally qualified valuers to determine the fair value of the investment properties as at 31 December 2024 and 2023. The fair value gains or losses are included in "Other losses – net" in the income statement.

As at 31 December 2024 and 2023, all of the Group's investment properties were within level 3 of the fair value hierarchy as the valuations were arrived at by reference to certain significant unobservable inputs.

(c) Valuation processes of the Group

The Group's investment properties were valued at 31 December 2024 and 2023 by independent and professionally qualified valuers who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use.

The Group's finance department includes a team that reviews the valuations performed by the independent valuers for financial reporting purposes. This team reports directly to the chief financial officer ("CFO") and the audit committee. Discussions of valuation processes and results are held between the CFO, the valuation team and valuers at least once every reporting date, in line with the Group's interim and annual reporting dates.

At each reporting date the finance department:

- Verifies all major inputs to the independent valuation reports;
- Assesses property valuations movements when compared to the prior year valuation reports; and
- Holds discussion with the independent valuers.

Changes in level 2 and 3 fair values are analysed at each reporting date during the bi-annual valuation discussions between the CFO and the valuation team. As part of this discussion, the team presents a report that explains the reasons for the fair value movements.

(All amounts in RMB Yuan thousands unless otherwise stated)

8. INVESTMENT PROPERTIES (Continued)

(d) Valuation techniques

For completed office and retail buildings (2023: completed office and retail buildings), the valuations are based on the term and reversionary method, which largely used unobservable inputs and took into account the significant adjustment in term yield to account for the risk upon reversionary and the estimation in market price after expiry of current lease.

For carparks, the valuations are determined using the direct comparison method. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input in this valuation approach is price per square metre.

For retail buildings under construction, the Group has valued such properties on the basis that they will be developed and completed in accordance with the Group's latest development plans. Valuations are based on residual method, which is essentially a means of valuing the land by reference to its development potential by deducting development costs together with developer's profit and risk associated with the estimated capital value of the proposed development assuming completed as at the date of valuation.

(e) Valuation inputs and relationships to fair value

Description		Fair value at 31 December 2024	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Completed investment properties	Office	**8,451,960**	Term and reversionary method and direct comparison method	Term yields	5.5%	The higher the term yields, the lower the fair value
				Reversionary yields	5.5%	The higher the reversion yields, the lower the fair value
				Market price (RMB/square metre)	8,080-53,100	The higher the market price, the higher the fair value
	Retail	**18,931,360**	Term and reversionary method and direct comparison method	Term yields	5.5%	The higher the term yields, the lower the fair value
				Reversionary yields	5.5%	The higher the reversion yields, the lower the fair value
				Market price (RMB/square metre)	2,630-91,000	The higher the market price, the higher the fair value
	Carpark	**477,098**	Term and reversionary method and direct comparison method	Term yields	5.5%-7%	The higher the term yields, the lower the fair value
				Reversionary yields	5.5%-7%	The higher the reversion yields, the lower the fair value
				Market price (RMB/square metre)	600-7,300	The higher the market price, the higher the fair value
Investment properties under construction	Retail	**1,598,802**	Residual method	Market price (RMB/square metre)	3,370-20,884	The higher the market price, the higher the fair value
				Budgeted construction costs to be incurred (RMB/square metre)	4,257-5,834	The higher the budgeted construction costs to be incurred the lower the fair value,
				Developer's profit (RMB/square metre)	0-728	The higher the developer's profit, the lower the fair value

(All amounts in RMB Yuan thousands unless otherwise stated)

8. INVESTMENT PROPERTIES (Continued)

(e) Valuation inputs and relationships to fair value (continued)

Description		Fair value at 31 December 2023	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Completed investment properties	Office	10,060,540	Term and reversionary method and direct comparison method	Term yields	5.5%	The higher the term yields, the lower the fair value
				Reversionary yields	5.5%	The higher the reversion yields, the lower the fair value
				Market price (RMB/square metre)	8,480-40,000	The higher the market price, the higher the fair value
	Retail	19,517,260	Term and reversionary method and direct comparison method	Term yields	5.5%	The higher the term yields, the lower the fair value
				Reversionary yields	5.5%	The higher the reversion yields, the lower the fair value
				Market price (RMB/square metre)	2,760-93,000	The higher the market price, the higher the fair value
	Carpark	541,398	Term and reversionary method and direct comparison method	Term yields	5.5%	The higher the term yields, the lower the fair value
				Reversionary yields	5.5%	The higher the reversion yields, the lower the fair value
				Market price (RMB/square metre)	1,100-6,700	The higher the market price, the higher the fair value
Investment properties under construction	Retail	1,624,002	Residual method	Market price (RMB/square metre)	3,939-20,721	The higher the market price, the higher the fair value
				Budgeted construction costs to be incurred (RMB/square metre)	4,203-5,855	The higher the budgeted construction costs to incurred the lower the fair value,
				Developer's profit (RMB/square metre)	0-1,832	The higher the developer's profit, the lower the fair value

There are inter-relationships between unobservable inputs. Expected vacancy rates may impact the yield with higher vacancy rates resulting in higher yields. If the remaining lease term increases, the yield may decrease.

(f) Investment properties pledged as security

Borrowings are secured on investment properties for the value of RMB17,875,714,000 in 2024 (2023: RMB18,411,252,000).

(g) Leasing arrangements

The investment properties are leased to tenants under operating leases with rentals payable monthly or quarterly. There are no variable lease payments that depend on an index or rate. Where considered necessary to reduce credit risk, the Group may obtain bank guarantees for the term of the lease.

Although the Group is exposed to changes in the residual value at the end of the current leases, the Group typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

For minimum lease payments receivable on leases of investment properties, refer to Note 38.

(All amounts in RMB Yuan thousands unless otherwise stated)

9. INTANGIBLE ASSETS

	Goodwill	Construction licence	Software and others	Total
Year ended 31 December 2023				
Opening net book amount	509,431	292,000	254,244	1,055,675
Additions	–	–	30,723	30,723
Amortisation charge	–	–	(49,704)	(49,704)
Impairment	(468,528)	–	–	(468,528)
Disposals	–	–	(329)	(329)
Closing net book amount	40,903	292,000	234,934	567,837
At 31 December 2023				
Cost	512,414	292,000	656,085	1,460,499
Accumulated amortisation and impairment	(471,511)	–	(421,151)	(892,662)
Net book amount	40,903	292,000	234,934	567,837
Year ended 31 December 2024				
Opening net book amount	**40,903**	**292,000**	**234,934**	**567,837**
Additions	**–**	**–**	**7,725**	**7,725**
Amortisation charge	**–**	**–**	**(44,105)**	**(44,105)**
Impairment	**(11,699)**	**–**	**–**	**(11,699)**
Disposals	**–**	**–**	**(28)**	**(28)**
Derecognition of then subsidiaries (Note 42)	**–**	**–**	**(6,834)**	**(6,834)**
Closing net book amount	**29,204**	**292,000**	**191,692**	**512,896**
At 31 December 2024				
Cost	**512,414**	**292,000**	**521,481**	**1,325,895**
Accumulated amortisation and impairment	**(483,210)**	**–**	**(329,789)**	**(812,999)**
Net book amount	**29,204**	**292,000**	**191,692**	**512,896**

Intangible assets are amortised in the following categories:

	2024	2023
Selling and administrative expenses	**35,002**	37,287
Cost of sales	**9,103**	12,417
	44,105	49,704

(All amounts in RMB Yuan thousands unless otherwise stated)

9. INTANGIBLE ASSETS (Continued)

(a) Impairment test for construction licence

The recoverable amount of construction licence based on value-in-use calculations as at 31 December 2024 was determined by estimating the value of royalty (that is, licence fee) from which the Group is exempted by virtue of the fact that it owns the licence. The value of royalty is determined by a royalty rate of the licence multiplied by the net revenue expected to be generated by the Group and then capitalised at a discounted rate. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated rates stated below.

Key assumptions used for value-in-use calculations in 2024 and 2023 are as follows:

	2024	2023
Royalty rate	**1%**	1%
Growth rate for the five-year period	**2%-5%**	2.22%-5%
Terminal growth rate	**2.00%**	2.22%
Pre-tax discount rate	**6.92%**	9.47%

Management determined royalty rate and weighted average growth rates based on past performance and industry factor. The discount rates used are pre-tax and reflect specific risks relating to the relevant operating segment.

(All amounts in RMB Yuan thousands unless otherwise stated)

10. SUBSIDIARIES

The following is a list of principal subsidiaries as at 31 December 2024:

Company name	Date of incorporation/ establishment	Legal status	Issued/registered and fully paid up capital	Attributable equity interests held by the Company		Equity interests held by non-controlling interests	Principal activities and place of operations
				Direct	Indirect		
Subsidiaries – incorporated in the PRC:							
廣州天力建築工程有限公司	20 May 1993	Limited liability company	RMB300,000,000	90%	10%	–	Construction company in the PRC
成都熊貓萬國商城有限公司	29 October 1997	Limited liability company	RMB80,000,000	86.64%	–	13.36%	Property development in the PRC
北京龍熙順景房地產開發有限責任公司	20 August 2001	Limited liability company	RMB29,000,000	–	75%	25%	Property development in the PRC
北京富力城房地產開發有限公司	24 April 2002	Limited liability company	RMB1,394,781,578	96%	4%	–	Property development in the PRC
富力(北京)地產開發有限公司	27 June 2002	Limited liability company	RMB100,000,000	81%	19%	–	Property development in the PRC
天津耀華投資發展有限公司	27 September 2002	Limited liability company	RMB535,475,234	40.24%	59.76%	–	Property development in the PRC
珠海保稅區蔡氏倉儲發展有限公司	20 March 2003	Limited liability company	RMB81,100,000	–	75%	25%	Property development in the PRC
廣州鼎力創業投資有限公司	4 August 2003	Limited liability company	RMB100,000,000	90%	10%	–	Investment holding in the PRC
廣州富力興盛置業發展有限公司	9 January 2004	Sino-foreign joint venture with limited liability	USD6,500,000	25%	75%	–	Development and investment of office buildings in the PRC
廣州富力鼎盛置業發展有限公司	9 January 2004	Sino-foreign joint venture with limited liability	USD6,500,000	25%	75%	–	Hotel operation in the PRC
廣州富力恒盛置業發展有限公司	9 January 2004	Sino-foreign joint venture with limited liability	USD6,500,000	25%	75%	–	Hotel operation in the PRC
天津富力城房地產開發有限公司	29 November 2004	Limited liability company	RMB604,280,000	98.35%	1.65%	–	Property development in the PRC
廣州富力嘉盛置業發展有限公司	29 September 2005	Limited liability company	RMB400,000,000	97.5%	2.5%	–	Property development in the PRC
廣州富力創盛置業發展有限公司	4 November 2005	Limited liability company	RMB360,000,000	86.11%	13.89%	–	Property development in the PRC
廣州富力超盛置業發展有限公司	8 December 2005	Limited liability company	RMB600,100,000	99.98%	0.02%	–	Property development in the PRC
重慶富力房地產開發有限公司	30 December 2005	Limited liability company	RMB660,000,000	32.35%	67.65%	–	Property development in the PRC
廣州德和投資發展有限公司	10 January 2006	Limited liability company	RMB300,000,000	98.67%	1.33%	–	Property development in the PRC
廣州富力裝飾工程有限公司	27 April 2006	Limited liability company	RMB10,000,000	90%	10%	–	Decoration project in the PRC
上海浦衛房地產開發有限公司	18 July 2006	Limited liability company	RMB320,000,000	–	100%	–	Property development in the PRC
海南陵水富力灣開發有限公司	27 November 2006	Limited liability company	RMB600,000,000	100%	–	–	Property development in the PRC
廣州富力地產(重慶)有限公司	26 January 2007	Limited liability company	RMB854,500,761	94.82%	5.18%	–	Property development in the PRC
海南富力房地產開發集團有限公司	29 March 2007	Limited liability company	RMB2,180,000,000	95%	5%	–	Property development in the PRC
太原富力城房地產開發有限公司	14 August 2007	Limited liability company	RMB350,000,000	–	100%	–	Property development in the PRC
廣州聖景房地產開發有限公司	27 August 2007	Sino-foreign joint venture with limited liability	USD20,000,000	25%	75%	–	Property development in the PRC
北京極富房地產開發有限公司	31 August 2007	Limited liability company	RMB30,100,000	99%	1%	–	Property development in the PRC
龍門富力房地產開發有限公司	6 September 2007	Limited liability company	RMB196,001,568	97.45%	2.55%	–	Property development in the PRC
廣東省韶關市萬紫千紅置業有限公司	22 January 2008	Limited liability company	RMB530,000,000	65%	–	35%	Property development in the PRC
廣東新天鴻物業發展有限公司	21 May 2008	Limited liability company	RMB592,380,000	–	75%	25%	Property development in the PRC

(All amounts in RMB Yuan thousands unless otherwise stated)

10. SUBSIDIARIES (Continued)

Company name	Date of incorporation/ establishment	Legal status	Issued/registered and fully paid up capital	Attributable equity interests held by the Company Direct	Attributable equity interests held by the Company Indirect	Equity interests held by non-controlling interests	Principal activities and place of operations
鞍山恒營房地產有限公司	25 June 2009	Wholly foreign-owned enterprise with limited liability	USD120,000,000	–	100%	–	Property development in the PRC
貴陽園成置業有限公司	12 January 2010	Limited liability company	RMB20,000,000	100%	–	–	Property development in the PRC
惠州富茂房地產開發有限公司	14 May 2010	Limited liability company	RMB710,000,000	50%	50%	–	Property development in the PRC
富力南京地產開發有限公司	8 September 2010	Limited liability company	RMB500,000,000	–	100%	–	Property development in the PRC
大連恒灣房地產開發有限公司	28 October 2010	Wholly foreign-owned enterprise with limited liability	USD252,480,000	–	100%	–	Property development in the PRC
北京富源盛達房地產開發有限公司	20 January 2011	Sino-foreign joint venture with limited liability	RMB30,000,000	–	100%	–	Property development in the PRC
富力(哈爾濱)房地產開發有限公司	12 April 2011	Limited liability company	RMB100,000,000	45%	55%	–	Property development in the PRC
海南富力海洋歡樂世界開發有限公司	20 June 2012	Limited liability company	RMB2,000,000,000	80%	20%	–	Tourism project development in the PRC
梅州富力房地產開發有限公司	1 July 2013	Limited liability company	RMB550,000,000	99%	1%	–	Property development in the PRC
廣州天禧房地產開發有限公司	22 August 2013	Limited liability company	RMB801,106,667	75%	–	25%	Property development in the PRC
西安坊城置業有限公司	30 October 2013	Limited liability company	RMB2,000,000,000	–	100%	–	Property development in the PRC
北京富力通達房地產開發有限公司	20 November 2013	Limited liability company	RMB100,000,000	–	100%	–	Property development in the PRC
珠海富力房地產開發有限公司	20 November 2013	Limited liability company	RMB592,000,000	100%	–	–	Property development in the PRC
重慶富力嘉盛房地產開發有限公司	28 January 2014	Wholly foreign-owned enterprise with limited liability	RMB20,000,000	–	100%	–	Property development in the PRC
滁州富力城房地產開發有限公司	1 September 2015	Limited liability company	RMB100,000,000	–	100%	–	Property development in the PRC
太原富潤房地產開發有限公司	6 September 2016	Limited liability company	RMB1,000,000,000	–	100%	–	Property development in the PRC
湖南園康富力置業有限公司	13 October 2016	Limited liability company	RMB650,100,000	–	100%	–	Property development in the PRC
南通富力房地產開發有限公司	18 November 2016	Wholly foreign-owned enterprise with limited liability	USD40,000,000	–	100%	–	Property development in the PRC
海南航孝房地產開發有限公司	24 November 2016	Limited liability company	RMB50,000,000	–	100%	–	Property development in the PRC
太原富力盛達房地產開發有限公司	9 February 2017	Limited liability company	RMB1,100,000,000	–	100%	–	Property development in the PRC
太原富力通達房地產開發有限公司	13 April 2017	Limited liability company	RMB1,300,000,000	–	100%	–	Property development in the PRC
淄博萬達廣場置業有限公司	27 September 2017	Limited liability company	RMB60,000,000	–	100%	–	Property development in the PRC
烏魯木齊富力城房地產開發有限公司	23 November 2017	Limited liability company	RMB1,100,000,000	–	100%	–	Property development in the PRC
重慶嘉富房地產開發有限公司	12 January 2018	Limited liability company	RMB300,000,000	–	100%	–	Property development in the PRC
上饒市富力長盛置業有限公司	8 February 2018	Limited liability company	RMB402,500,000	–	100%	–	Property development in the PRC
唐山富潤房地產開發有限公司	1 June 2018	Limited liability company	RMB100,000,000	–	50%	50%	Property development in the PRC
贛州市富輝房地產開發有限責任公司	31 August 2018	Sino-foreign joint venture with limited liability	RMB894,135,300	95.49%	4.51%	–	Property development in the PRC

(All amounts in RMB Yuan thousands unless otherwise stated)

10. SUBSIDIARIES (Continued)

Company name	Date of incorporation/ establishment	Legal status	Issued/registered and fully paid up capital	Attributable equity interests held by the Company		Equity interests held by non-controlling interests	Principal activities and place of operations
				Direct	Indirect		
重慶富力瑜璟房地產開發有限公司	11 October 2018	Limited liability company	RMB100,000,000	–	100%	–	Property development in the PRC
太原永富房地產開發有限公司	1 February 2019	Limited liability company	RMB1,000,000,000	–	100%	–	Property development in the PRC
廣州富宏投資諮詢有限公司	11 March 2019	Limited liability company	RMB10,000,000	100%	–	–	Property development in the PRC
鹽城富力科創發展有限公司	24 May 2019	Wholly foreign-owned enterprise with limited liability	USD101,000,000	–	100%	–	Property development in the PRC
廣州極富投資有限公司	14 October 2021	Limited liability company	RMB100,000,000	–	51%	49%	Investment holding in the PRC
廣州富景城市更新投資有限公司	1 December 2021	Limited liability company	RMB100,000,000	–	51%	49%	Investment holding in the PRC
廣州富嘉投資有限公司	6 December 2021	Limited liability company	RMB582,502,165	100%	–	–	Investment holding in the PRC
Subsidiaries – incorporated in HK:							
R&F Properties (HK) Company Limited	25 August 2005	Limited liability company	HKD1,000,000	100%	–	–	Investment holding in HK
Blissful Delight Limited	19 October 2018	Limited liability company	USD306,000,000	–	100%	–	Investment holding in HK
Subsidiaries – incorporated in UK:							
RFKR (UK) LTD	2 March 2017	Limited liability company	USD161,002	–	100%	–	Investment holding in Korea
Subsidiaries – incorporated in Malaysia:							
R&F DEVELOPMENT SDN BHD	7 November 2013	Limited liability company	RM500,000	–	100%	–	Property development in Malaysia

The above table lists the principal subsidiaries of the Group which, in the opinion of the directors, principally affect the revenue and net assets of the Group. To give full details of subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

The accumulated non-controlling interests as at 31 December 2024 were RMB12,534,276,000 (2023: RMB12,696,292,000). The non-controlling interests in respect of each subsidiary are not individually material to the Group.

(All amounts in RMB Yuan thousands unless otherwise stated)

11. INTERESTS IN JOINT VENTURES

	2024	2023
At 1 January	7,828,582	8,905,960
Additions	–	12,430
Acquisition of the remaining equity interest in a joint venture (Note (f))	(149,387)	–
Disposal (Notes (d) and (e))	(108,576)	(149,882)
Share of results	4,133	(404,625)
Dividends declared by a joint venture	(199,297)	(290,000)
Share of other comprehensive income	39	(6)
Elimination of unrealised losses/(profits)	173,467	(245,295)
At 31 December	7,548,961	7,828,582

Notes:

(a) As at 31 December 2024, the Group's interests in joint ventures, which are not individually material to the Group in the opinion of the directors, are accounted for using the equity method. The aggregate amount of the Group's share of gain from continuing operations for the year ended 31 December 2024 was RMB4,133,000 (2023: loss of RMB404,625,000).

(b) Pursuant to the relevant joint venture agreements, these entities are jointly controlled by the Group and other parties. None of the participating parties has unilateral control over the entities with more than one half of the voting rights.

(c) There are no contingent liabilities relating to the Group's interests in the joint ventures.

(d) In December 2023, the Group completed the disposal of the 7.47% equity interest in 長沙禧榮置業有限公司 at a total consideration of RMB53,316,000. During year ended 31 December 2023, a loss on disposal of RMB96,565,000 was recorded in "Other losses – net" in the consolidated income statement (Note 29).

(e) In May 2024, the Group completed the disposal of the 80% equity interest in 威海市富環房地產開發有限公司 at a total consideration of RMB363,567,000. During year ended 31 December 2024, a gain on disposal of RMB254,991,000 was recorded in "Other losses – net" in the consolidated income statement (Note 29). Upon completion, the Group did not have any retained interest in 威海市富環房地產開發有限公司.

(f) In December 2024, the Group completed the acquisition of the remaining 40% equity interest in a joint venture, 貴州大西南房地產開發有限公司 ("貴州大西南"), which was engaging in property development in the PRC, from an independent third party at a consideration of approximately RMB95,470,000. Upon completion of the acquisition, the Group held 100% equity interest of the 貴州大西南 and became a subsidiary of the Company.

(All amounts in RMB Yuan thousands unless otherwise stated)

12. INTERESTS IN ASSOCIATES

	2024	2023
At 1 January	3,623,859	3,517,585
Share of results	(108,590)	378,240
Dividends declared by an associate	–	(6,660)
Share of other comprehensive income	1,309	206
Elimination of unrealised losses/(profits)	1	(265,512)
At 31 December	3,516,579	3,623,859

(a) As at 31 December 2024, the Group's interests in associates, which are not individually material to the Group in the opinion of the directors, are accounted for using the equity method. The aggregate amount of the Group's share of loss from continuing operations for the year ended 31 December 2024 was RMB108,590,000 (2023: profit of RMB378,240,000).

(b) There are no contingent liabilities relating to the Group's interest in the associates.

(c) In April 2024, the Group completed the disposal of the 40% equity interest in 武漢富隆都置業有限公司 at a total consideration of RMB56,000,000. During year ended 31 December 2024, a gain on disposal of approximately RMB56,000,000 was recorded in "Other losses - net" in the consolidated income statement (Note 29). Upon completion, the Group did not have any retained interest in 武漢富隆都置業有限公司.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2024	2023
At 1 January	405,392	554,318
Retained interest in the then subsidiaries (Note 42)	4,165,982	–
Disposals	(933)	–
Fair value losses recognised in other comprehensive income	(226,757)	(148,926)
At 31 December	4,343,684	405,392

(a) Financial assets at fair value through other comprehensive income

Financial assets at FVOCI of the Group comprise equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group considers this classification to be more relevant.

	2,024	2,023
Listed securities:		
– Bank of Jiujiang	309,161	403,392
Unlisted securities:		
– Shanghai Wuling Investment	800	2,000
– Equity interest in Noble Ease Group (Note 43)	4,033,723	–
	4,343,684	405,392

On disposal of these equity investments, any related balance within the FVOCI reserve is reclassified to retained earnings.

(All amounts in RMB Yuan thousands unless otherwise stated)

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Continued)

(b) Amounts recognised in consolidated profit or loss and other comprehensive income

During the year, the following gains/(losses) were recognised in consolidated profit or loss and other comprehensive income:

	2024	2023
Losses recognised in other comprehensive income	(226,757)	(148,926)
Dividends from equity investments held at FVOCI recognised in profit or loss in other income	3,424	5,596

(c) Fair value and risk exposure

Information about the methods and assumptions used in determining fair value is provided in Note 3.3.

Financial assets at FVOCI as at 31 December 2024 and 2023 are denominated in RMB. For an analysis of the sensitivity of the assets to price risk refer to Note 3.1.

14. FINANCIAL INSTRUMENTS BY CATEGORY

	2024	2023
Financial assets at amortised cost		
Trade and other receivables excluding prepayments and capitalised costs to obtain contracts	34,177,016	29,258,454
Restricted cash	3,076,424	4,015,402
Cash and cash equivalents	787,385	1,727,204
	38,040,825	35,001,060
Financial assets at fair value		
Financial assets at FVOCI	4,343,684	405,392
Other financial assets	246,981	390,747
	4,590,665	796,139
	42,631,490	35,797,199

	2024	2023
Financial liabilities at amortised cost		
Borrowings	103,017,849	127,304,176
Accruals and other payables excluding non-financial liabilities	52,317,767	45,385,497
Lease liabilities	52,879	378,670
	155,388,495	173,068,343
Financial liability at fair value		
Derivative financial instruments	15,400	13,500
	155,403,895	173,081,843

The Group's exposure to various risks associated with the financial instruments is discussed in Note 3. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

(All amounts in RMB Yuan thousands unless otherwise stated)

15. PROPERTIES UNDER DEVELOPMENT

	2024	2023
Amount comprises:		
Lands and land use rights	**57,845,374**	66,187,510
Construction costs and capitalised expenditures	**51,493,899**	57,867,147
Finance costs capitalised	**20,793,924**	22,565,919
	130,133,197	146,620,576
Less: provision for impairment of properties under development	**(7,922,098)**	(8,302,605)
	122,211,099	138,317,971

All properties under development are expected to be completed within the normal operating cycle.

The capitalisation rate used to determine the amount of finance costs eligible for capitalisation is 7.64% for 2024 (2023: 7.56%).

As at 31 December 2024, properties under development of RMB29,321,500,000 (2023: RMB45,836,635,000) were pledged as collaterals for the Group's borrowings.

16. COMPLETED PROPERTIES HELD FOR SALE

	2024	2023
Completed properties held for sale	**50,354,490**	48,666,715
Less: provision for impairment of properties under development	**(8,590,002)**	(7,568,307)
Completed properties held for sale – net	**41,764,488**	41,098,408

As at 31 December 2024, completed properties held for sale of RMB7,792,477,000 (2023: RMB7,638,082,000) were pledged as collateral for the Group's borrowings.

17. OTHER FINANCIAL ASSETS

As at 31 December 2024, the balance represented the Group's investments in certain PRC debt securities, which were measured at fair value. As at 31 December 2024, the fair value of such PRC debt securities, which was determined by reference to "China Securities Index Co., Ltd", was approximately RMB247 million.

	2024	2023
At 1 January	**390,747**	608,519
Additions	**–**	136
Fair value losses recognised in profit or loss	**(143,766)**	(217,908)
At 31 December	**246,981**	390,747

(All amounts in RMB Yuan thousands unless otherwise stated)

17. OTHER FINANCIAL ASSETS (Continued)

(a) Other financial assets include the following:

	2024	2023
Listed securities:		
– Bonds	246,981	390,747

(b) Amounts recognised in consolidated profit or loss and other comprehensive income

During the year, the following loss were recognised in consolidated profit or loss and other comprehensive income:

	2024	2023
Listed securities:		
Losses recognised in profit or loss	(143,766)	(217,908)

(c) Fair value and risk exposure

Information about the methods and assumptions used in determining fair value is provided in Note 3.3.

Other financial assets as at 31 December 2024 and 2023 are denominated in RMB. For an analysis of the sensitivity of the assets to price risk refer to Note 3.1.

18. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	2024	2023
Trade receivables – net (Note (a))	2,581,977	3,360,687
Other receivables – net (Note (b))	18,353,581	19,802,504
Prepayments (Note (d))	3,823,579	4,768,199
Capitalised costs to obtain contracts	941,877	1,383,038
Due from joint ventures (Note 39(f))	3,739,791	4,179,672
Due from associates (Note 39(f))	1,865,435	1,915,591
Amounts due from then subsidiaries	7,636,232	–
Total	38,942,472	35,409,691

The carrying amounts of trade and other receivables approximate their fair values.

(All amounts in RMB Yuan thousands unless otherwise stated)

18. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

(a) Trade receivables

	2024	2023
Trade receivables – current portion		
Due from third parties	2,391,726	3,093,748
Due from joint ventures (Note 39(f))	414,395	483,508
Due from an associate (Note 39(f))	9,939	10,103
Total	2,816,060	3,587,359
Less: loss allowance	(234,083)	(226,672)
	2,581,977	3,360,687

Trade receivables in respect of sale of properties are settled in accordance with the terms stipulated in the sale and purchase agreements. Generally, purchasers of residential properties are required to settle the balances within 90 days as specified in the sale and purchase agreements. Purchasers of certain office and commercial units are required to settle the outstanding balances within 12 months as specified in the sale and purchase agreements. The ageing analysis of trade receivables is as follows:

	2024	2023
Up to 1 year	1,500,543	2,201,503
1 year to 2 years	199,582	470,009
2 years to 3 years	378,323	291,235
Over 3 years	737,612	624,612
	2,816,060	3,587,359

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

The loss allowance increased by RMB7,411,000 to RMB234,083,000 (2023: Increased by RMB25,659,000 to RMB226,672,000) for trade receivables during the current reporting period. Note 3.1(b) provides for details about the calculation of the allowance.

Information about the impairment of trade receivables and the Group's exposure to credit risk, foreign currency risk and interest rate risk can be found in Note 3.1.

(All amounts in RMB Yuan thousands unless otherwise stated)

18. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

(b) Other receivables

Other receivables are analysed as below:

	2024	2023
Other receivables	19,046,450	20,481,290
Less: loss allowance	(692,869)	(678,786)
Other receivables – net	18,353,581	19,802,504

(c) The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral as security.

(d) Prepayments are mainly for acquisitions of land use rights, purchases of construction materials and other taxes excluding income taxes.

(e) The carrying amounts of the Group's trade and other receivables excluding prepayment and capitalised costs to obtain contracts and including amounts due from joint ventures, associates and entities jointly controlled by major shareholders of the Company and amounts due from then subsidiaries, are denominated in the following currencies:

	2024	2023
– RMB	30,829,983	28,406,955
– HKD	2,774,571	466,137
– AUD	237,938	210,871
– MYR	226,521	67,084
– USD	93,659	85,916
– KRW	13,814	20,820
– GBP	496	636
– SGD	34	35
	34,177,016	29,258,454

(All amounts in RMB Yuan thousands unless otherwise stated)

19. RESTRICTED CASH

	2024	2023
Guarantee deposits for construction of pre-sold properties (Note (a))	**1,925,394**	2,606,643
Guarantee deposits for borrowings (Note (b))	**351,762**	619,578
Guarantee deposits for interest of senior notes (Note (c))	**1,153**	1,176
Others	**798,115**	788,005
	3,076,424	4,015,402

Notes:

(a) In accordance with relevant documents, certain property development companies of the Group are required to place at designated bank accounts the pre-sale proceeds of properties received as the guarantee deposits for the constructions of related properties. The deposits can only be used for payments of construction costs of related property projects upon the approval of the local State-Owned Land and Resource Bureau. Such guarantee deposits will be released according to the completion stage of the related properties.

(b) Pursuant to certain bank loan agreements, the Group is required to place certain cash deposits as securities for borrowings. Such guarantee deposits will only be released after full repayment of relevant borrowings.

(c) Restricted cash is denominated in the following currencies:

	2024	2023
– RMB	**2,380,855**	3,897,812
– MYR	**673,528**	56,015
– AUD	**13,521**	–
– USD	**6,047**	29,593
– GBP	**2,452**	31,412
– HKD	**21**	570
	3,076,424	4,015,402

The directors of the Group are of the view that the restricted cash listed above will be released within the normal operating cycle.

(All amounts in RMB Yuan thousands unless otherwise stated)

20. CASH AND CASH EQUIVALENTS

	2024	2023
Cash at bank and on hand	**787,385**	1,716,826
Short-term bank deposits	**–**	10,378
	787,385	1,727,204

	2024	2023
Denominated in:		
– RMB	**594,479**	1,551,607
– MYR	**117,885**	45,533
– USD	**41,391**	45,481
– AUD	**22,328**	43,653
– SGD	**7,929**	4,123
– KRW	**1,594**	3,402
– HKD	**1,062**	2,559
– GBP	**717**	30,846
	787,385	1,727,204

The conversion of RMB, MYR, KRW and GBP denominated balances into foreign currencies and the remittance of these foreign currencies denominated bank balances and cash out of the PRC, Malaysia, South Korea and the United Kingdom are subject to relevant rules and regulations of foreign exchange control promulgated by the PRC, Malaysian, South Korea and the United Kingdom governments.

The cash at bank balances are deposited with creditworthy banks with no recent history of default.

21. SHARE CAPITAL

	2024 Number of shares (thousands)	**2024 Share capital**	2023 Number of shares (thousands)	2023 Share capital
– domestic shares	**–**	**–**	–	–
– H shares	**3,752,367**	**3,752,367**	3,752,367	3,752,367
	3,752,367	**3,752,367**	3,752,367	3,752,367

Movement in ordinary shares:

	Number of domestic shares (thousands)	**Share capital of domestic shares**	**Number of H shares (thousands)**	**Share capital of H shares**
At 1 January 2023, 31 December 2023 and 31 December 2024	–	–	3,752,367	3,752,367

As at 31 December 2024, the registered, issued and fully paid capital of the Company was RMB3,752,367,000 (2023: RMB3,752,367,000) divided into 3,752,367,000 (2023: 3,752,367,000) shares, comprising 3,752,367,000 H shares (2023: 3,752,367,000 H shares).

H shares refer to the Company's shares listed on The Main Board of Stock Exchange of Hong Kong Limited. The share premium related to H shares is shown in Note 22.

(All amounts in RMB Yuan thousands unless otherwise stated)

22. OTHER RESERVES

	Share premium (Note (a))	Financial assets at FVOCI reserve (Note (b))	Statutory reserve (Note (c))	Translation reserve (Note (d))	Revaluation surplus (Note (e))	Others	Total
At 1 January 2023	6,199,559	(2,960)	685,730	(11,381)	5,752,516	(399,128)	12,224,336
Changes in ownership interests in subsidiaries without change of control	2,731	–	–	–	(18,100)	–	(15,369)
Fair value change of financial assets at FVOCI, net of tax	–	(147,176)	–	–	–	–	(147,176)
Share of other comprehensive loss of joint ventures accounted for using the equity method	–	–	–	200	–	–	200
Currency translation differences	–	–	–	(406,366)	–	–	(406,366)
At 31 December 2023	6,202,290	(150,136)	685,730	(417,547)	5,734,416	(399,128)	11,655,625
At 1 January 2024	**6,202,290**	**(150,136)**	**685,730**	**(417,547)**	**5,734,416**	**(399,128)**	**11,655,625**
Fair value change of financial assets at FVOCI, net of tax	**–**	**(226,690)**	**–**	**–**	**–**	**–**	**(226,690)**
Share of other comprehensive loss of joint ventures accounted for using the equity method	**–**	**–**	**–**	**1,348**	**–**	**–**	**1,348**
Transfer on derecognition of then subsidiaries (Note 42)	**–**	**–**	**–**	**–**	**(2,496,410)**	**–**	**(2,496,410)**
Reclassification of currency translation differences on disposal of foreign operations (Note 44)	**–**	**–**	**–**	**113,934**	**–**	**–**	**113,934**
Currency translation differences	**–**	**–**	**–**	**47,515**	**–**	**–**	**47,515**
At 31 December 2024	**6,202,290**	**(376,826)**	**685,730**	**(254,750)**	**3,238,006**	**(399,128)**	**9,095,322**

Notes:

(a) Share premium arising from the issue and placing of H shares can be utilised in increasing paid-in capital as approved by the directors.

(b) The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the financial assets at FVOCI reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

(c) According to the rules and regulations applicable to the Group's subsidiaries incorporated in the PRC, when distributing net profits of each year, these subsidiaries are required to transfer an amount of their net profits as reported in their statutory accounts to statutory reserves until the accumulated balance of such reserves reaches 50% of their registered capital. Depending on the nature, the statutory reserves can be used to set off accumulated losses of the subsidiaries or distribute to the owners in form of bonus issue.

(All amounts in RMB Yuan thousands unless otherwise stated)

22. OTHER RESERVES (Continued)

(d) Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

(e) Revaluation gains on hotel buildings and revaluation gains on investment properties transferred from property, plant and equipment and right-of-use assets are recognised in other comprehensive income.

23. ACCRUALS AND OTHER PAYABLES

	2024	2023
Amounts due to joint ventures (Note 39(f))	**8,856,003**	9,451,685
Amounts due to associates (Note 39(f))	**399,946**	401,069
Amounts due to entities jointly controlled by major shareholders and other related parties of the Company (Note 39(f))	**175,408**	415,696
Amounts due to major shareholders (Note 39(f))	**967,290**	369,389
Amounts due to then subsidiaries	**498,825**	–
Amounts due to a shareholder of certain joint ventures	**6,973,048**	6,166,874
Construction payables (Note (a))	**40,301,870**	37,570,647
Other payables and accrued charges (Note (b) and (c))	**43,976,032**	43,238,489
Total	**102,148,422**	97,613,849
Less: non-current portion	**(1,104,307)**	(1,931,523)
Current portion	**101,044,115**	95,682,326

Notes:

(a) Construction payables comprise construction costs and other project-related expenses payable which are based on project progress measured by project management team of the Group. Therefore, no ageing analysis is presented.

(b) The balance mainly represents interest payables, accruals, salary payables and other taxes payable.

(c) The carrying amounts of accruals and other payables approximate their fair values.

(All amounts in RMB Yuan thousands unless otherwise stated)

24. BORROWINGS

	2024	2023
Non-current		
Long-term borrowings		
Bank borrowings (Notes (a) and (g))		
– Secured	**43,171,314**	49,242,496
– Unsecured	**2,558,013**	3,633,827
	45,729,327	52,876,323
Domestic bonds (Note (b))		
– Secured	**11,931,076**	12,329,096
– Unsecured	**531,570**	558,000
	12,462,646	12,887,096
Senior notes (Note (c))		
– Secured	**32,251,590**	38,486,932
Other borrowings (Notes (d) and (g))		
– Secured	**11,169,133**	17,344,055
– Unsecured	**950,773**	950,773
	12,119,906	18,294,828
Total long-term borrowings	**102,563,469**	122,545,179
Less: current portion of long-term borrowings	**(93,687,778)**	(43,742,837)
	8,875,691	78,802,342
Current		
Short-term borrowings		
Bank borrowings (Notes (a) and (g))		
– Secured	**294,634**	461,211
Other borrowings (Notes (d) and (g))		
– Secured	**59,746**	4,197,786
– Unsecured	**100,000**	100,000
	159,746	4,297,786
Total short-term borrowings	**454,380**	4,758,997
Current portion of long-term borrowings	**93,687,778**	43,742,837
Total borrowings	**103,017,849**	127,304,176

(All amounts in RMB Yuan thousands unless otherwise stated)

24. BORROWINGS (Continued)

(a) Bank borrowings

Interest rates on bank borrowings are repriced regularly, which gives rise to exposure of the Group's bank borrowings to interest rate changes. The contractual repricing dates are all within one year.

(i) Movements in bank borrowings are analysed as follows:

	2024	2023
At 1 January	**53,337,534**	56,192,513
Additions	**2,324,249**	1,019,673
Repayments	**(1,626,941)**	(3,936,284)
Disposals of subsidiaries and derecognition of then subsidiaries	**(8,032,139)**	–
Foreign exchange losses	**21,258**	61,632
At 31 December	**46,023,961**	53,337,534

(ii) The maturity of bank borrowings is as follows:

	2024	2023
Within one year	**40,890,415**	29,608,689
Between one and two years	**1,252,197**	6,111,533
Between two and five years	**1,817,131**	8,798,617
Over five years	**2,064,218**	8,818,695
Total bank borrowings	**46,023,961**	53,337,534

(iii) The carrying amounts of the Group's bank borrowings are denominated in the following currencies:

	2024	2023
– RMB	**44,932,146**	52,089,419
– USD	**1,091,815**	1,248,115
	46,023,961	53,337,534

(iv) The effective interest rate of bank borrowings is 5.64% (2023: 5.58%).

(v) The carrying amounts of bank borrowings approximate their fair values.

(All amounts in RMB Yuan thousands unless otherwise stated)

24. BORROWINGS (Continued)

(b) Domestic bonds

Fair value and movement of domestic bonds

As at 31 December 2024, the aggregate carrying amount of the Company's domestic bonds (including corporate bonds on stock exchange and bonds on inter-bank bond market) amounted to RMB12,462,646,000 with annualized coupon rates ranging from 5.3% to 7.0%.

As at 31 December 2024, the fair values of the 2016 public bonds, the 2018 public bonds and the 2019 public bonds amounted to RMB4,054,825,000 (31 December 2023: RMB4,401,289,000) in total. The fair values were determined with reference to the quoted price on the last trading day of the year ended 31 December 2024. Such fair values are level 1 of the fair value hierarchy.

As at 31 December 2024, the fair values of the 2016 non-public bonds and the 2020 non-public bonds approximate their carrying amounts. The fair values were based on cash flows discounted at the borrowing rate of 5.30% and is level 2 of the fair value hierarchy.

The movements of domestic bonds are set out below:

	2024	2023
At 1 January	**12,887,096**	13,327,598
Redemption	**(592,437)**	(635,305)
Interest charged	**1,142,297**	1,196,639
Interest paid or included in other payables	**(974,310)**	(1,001,836)
At 31 December	**12,462,646**	12,887,096

(c) Senior notes

The senior notes are the only direct, unsubordinated, unconditional and secured obligations of the relevant issuers (the "Senior Notes").

Upon completion of the very substantial disposal transaction on 8 May 2024, the principal amounts of USD1,170,484,000 (equivalent to approximately RMB8,312,311,000) of the Senior Notes have been cancelled through the exchange offers conducted by the purchaser.

The total interest in the amounts of approximately USD147,000,000 of the Senior Notes became due and payable in cash on 11 July 2024. Easy Tactic has a grace period of 30 days to make the interest payment. As at 11 August 2024, the grace period has expired. In view of the liquidity pressure currently faced by the Group, Easy Tactic has not made the payment in cash before the expiry.

24. BORROWINGS (Continued)

(c) Senior notes (continued)

As at 31 December 2024, the principal, interest rate and maturity dates of the Senior Notes are as follows:

Series	Principal (USD'000)	Interest rate	Maturity
Group A	1,034,162	6.5% Cash/7.5% PIK*	11 July 2025
Group B	1,921,828	6.5% Cash/7.5% PIK*	11 July 2027
Group C	1,571,167	6.5% Cash/7.5% PIK*	11 July 2028
	4,527,157		

* PIK – Payment-in-kind

As at 31 December 2024, the Senior Notes were guaranteed by certain subsidiaries of the Group and were secured by shares of certain offshore subsidiaries of the Group.

The movements of Senior Notes are set out below:

	2024	2023
At 1 January	**38,486,932**	35,459,059
Issuance	**1,462,969**	2,723,216
Cancelled through Exchange Offers	**(8,312,311)**	–
Interest charged	**2,234,666**	2,518,356
Interest paid or included in other payables	**(2,116,943)**	(2,853,966)
Foreign exchange losses	**496,277**	640,267
At 31 December	**32,251,590**	38,486,932

The carrying amounts of the Group's Senior Notes are denominated in USD.

The fair value of the Senior Notes as at 31 December 2024 amounted to RMB1,223,798,000 (31 December 2023: RMB1,648,847,000). The fair value is determined by reference to the price quotations published by Bloomberg on the last trading date of the year ended 31 December 2024 and is within level 1 of the fair value hierarchy.

(d) Other borrowings

Certain subsidiaries of the Group (the "Project Companies") have entered into funding arrangements with certain financial institutions (the "Trustees"), under which the Trustees have raised funds from third parties and injected the funds to the Project Companies.

(i) The movements of other borrowings are set out below:

	2024	2023
At 1 January	**22,592,614**	21,679,594
Additions	**1,181,727**	2,717,894
Repayments	**(548,648)**	(2,244,687)
Disposals of subsidiaries and derecognition of then subsidiaries	**(10,997,468)**	–
Interest charged	**1,817,166**	2,410,889
Interest paid or included in other payables	**(1,817,166)**	(2,410,889)
Foreign exchange losses	**51,427**	439,813
At 31 December	**12,279,652**	22,592,614

(All amounts in RMB Yuan thousands unless otherwise stated)

24. BORROWINGS (Continued)

(d) Other borrowings (continued)

(ii) The maturity of other borrowings is as follows:

	2024	2023
Within one year	**12,024,442**	14,599,831
Between one and two years	**255,210**	460,980
Between two and five years	**–**	6,906,634
Over five years	**–**	625,169
Total other borrowings	**12,279,652**	22,592,614

(iii) The carrying amounts of other borrowings are denominated in the following currencies:

	2024	2023
– RMB	**11,961,266**	11,693,228
– USD	**295,740**	4,452,210
– AUD	**22,646**	82,718
– GBP	**–**	6,364,458
	12,279,652	22,592,614

(iv) The effective interest rate of these funding arrangements ranged from 4.88% to 15% (2023: 3.99% to 36%).

(v) The carrying amounts of other borrowings approximate their fair values.

(e) As at 31 December 2024, bank and other borrowings totalling RMB54,694,827,000 (2023: RMB71,245,548,000) of the Group were secured by the following assets and the Group's shares of certain subsidiaries:

	2024	2023
Right-of-use assets	**1,931,826**	2,046,252
Property, plant and equipment	**9,045,068**	27,441,368
Investment properties	**17,875,714**	18,411,252
Properties under development	**29,321,500**	45,836,635
Completed properties held for sale	**7,792,477**	7,638,082
Restricted cash	**351,762**	619,578
	66,318,347	101,993,167

(All amounts in RMB Yuan thousands unless otherwise stated)

24. BORROWINGS (Continued)

(f) The majority of unsecured bank and other borrowings are guaranteed by the Company or certain subsidiaries of the Group. Details are as follows:

	2024	2023
Guarantors:		
The Company	1,347,435	1,970,786
Subsidiaries	2,261,351	2,713,814
	3,608,786	4,684,600

(g) Pursuant to some of the Group's borrowings' agreements, any default under the Group's borrowings will trigger the cross-default resulting in the relevant borrowings becoming repayable on demand. As at 31 December 2024, the Group was in default of certain bank and other borrowings (including those other borrowings recorded under accruals and other payables) with an aggregate amount of RMB26.362 billion (2023: RMB18.445 billion) which causing an aggregate principal amount of RMB88.082 billion (2023: RMB15.829 billion) have became cross-defaulted and repayable on demand. All cross-default borrowings are presented under current liabilities in the Group's consolidated balance sheet as at 31 December 2024.

As at the date of approval of these consolidated financial statements, certain bank and other borrowings (including those other borrowings recorded under accruals and other payables) with an aggregate principal amount of RMB35.682 billion (2023: RMB21.566 billion) had not been repaid on schedule or otherwise renewed or extended, which caused cross-default of certain bank and other borrowings with an aggregate principal amount of RMB88.475 billion.

25. DERIVATIVE FINANCIAL INSTRUMENTS

	2024		2023	
	Assets	Liabilities	Assets	Liabilities
Total derivatives				
Equity – put option	–	15,400	–	13,500
Total derivatives	–	15,400	–	13,500

The balance as at 31 December 2024 represented unlisted derivative financial instruments for the right to subscribe for put option of Guangzhou Fuhui Investment Consulting Co Ltd's share. During the year ended 31 December 2024, there was unrealised loss (2023: unrealised gain RMB0.5 million) in respect of derivative financial instruments of approximately RMB1.9 million.

As at 31 December 2024, the fair value of derivative financial instruments was calculated by using Black Scholes Model which is determined by the Independence professional valuer.

(All amounts in RMB Yuan thousands unless otherwise stated)

25. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

In the opinion of directors, the carrying amount of the derivative financial instruments as at 31 December 2024 was approximately to its fair value. The fair value of the derivative financial instruments as at 31 December 2024 had been determined by the directors with reference to the fair value of the derivative financial instruments as at 31 December 2023 which had been arrived at on the basis of valuation carried out on the respective dates by an independent professional valuer not connected with the Group. In the opinion of the directors, the fair value changes between the end of reporting period and 31 December 2023 was minimal.

In determining the fair value of the relevant derivative financial instruments, the board of directors are responsible for determining the appropriate valuation techniques and inputs for fair value measurements. The key inputs used in the valuation of the derivative financial instruments as at 31 December 2024 were as follow:

Expected volatility	4.29%
Risk-free interest rate	1.09%
Dividend yield	0%

A higher in the expected volatility would result in an increase in the fair value of derivative financial instruments, and vice versa. A higher in the risk-free interest rate would result in a decrease in the fair value of derivative financial instruments, and vice versa.

Description	**Fair value at 31 December 2024**	**Unobservable inputs**	**Range of unobservable inputs (probability)**
Derivative financial instruments	15,400	35% share price as at 31 December 2024	RMB2.60 billion
		Exercise price	RMB2.53 billion
		Expected volatility	4.29%
		Risk-free rate	1.09%
		Dividend yield	0%
		Option life	1.75 years

Description	**Fair value at 31 December 2023**	**Unobservable inputs**	**Range of unobservable inputs (probability)**
Derivative financial instruments	13,500	35% share price as at 31 December 2023	RMB1.31 billion
		Exercise price	RMB2.95 billion
		Expected volatility	3.65%
		Risk-free rate	2.26%
		Dividend yield	0%
		Option life	2.75 years

(All amounts in RMB Yuan thousands unless otherwise stated)

26. DEFERRED INCOME TAX

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

	2024	2023
Deferred income tax assets:		
– To be recovered after 12 months	**8,053,661**	9,088,342
– To be recovered within 12 months	**838,261**	1,252,061
	8,891,922	10,340,403
Deferred income tax liabilities:		
– To be recovered after 12 months	**(7,715,665)**	(9,335,951)
– To be recovered within 12 months	**(590,290)**	(1,050,839)
	(8,305,955)	(10,386,790)
Deferred income tax assets – net	**585,967**	(46,387)

The movements in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

Deferred income tax liabilities:

	Timing difference in sales recognition and related cost of sales	Fair values of investment properties over the tax bases	Revaluation surplus arising from business combinations and hotel buildings	Revaluation of financial assets at FVOCI	Interest capitalisation and others	Total
At 1 January 2023	1,476,464	5,381,477	3,365,064	(5,514)	3,657,497	13,874,988
(Credited)/charged to the income statement	(425,625)	(481,258)	(204,769)	–	392,964	(718,688)
Credited to other comprehensive income	–	–	–	(1,750)	–	(1,750)
Disposals of subsidiaries	–	–	–	–	(47,353)	(47,353)
At 31 December 2023	1,050,839	4,900,219	3,160,295	(7,264)	4,003,108	13,107,197
At 1 January 2024	**1,050,839**	**4,900,219**	**3,160,295**	**(7,264)**	**4,003,108**	**13,107,197**
(Credited)/charged to the income statement	**(460,549)**	**(235,497)**	**(129,000)**	**–**	**276,476**	**(548,570)**
Credited to other comprehensive income	**–**	**–**	**–**	**(67)**	**–**	**(67)**
Disposals of subsidiaries and derecognition of then subsidiaries	**–**	**(8,396)**	**(1,868,406)**	**–**	**(724,649)**	**(2,601,451)**
At 31 December 2024	**590,290**	**4,656,326**	**1,162,889**	**(7,331)**	**3,554,935**	**9,957,109**

(All amounts in RMB Yuan thousands unless otherwise stated)

26. DEFERRED INCOME TAX (Continued)

Deferred income tax assets:

	Accruals and others	Tax losses	Unrealised profit on intra-group transactions	Revaluation of financial assets at FVOCI	Revaluation deficit arising from business combinations and hotel buildings	Total
At 1 January 2023	8,266,979	4,953,309	1,707,827	–	1,331,407	16,259,522
Credited/(charged) to the income statement	(14,699)	(3,220,864)	86,488	–	(49,637)	(3,198,712)
Disposal of subsidiaries	–	–	–	–	–	–
At 31 December 2023	8,252,280	1,732,445	1,794,315	–	1,281,770	13,060,810
At 1 January 2024	8,252,280	1,732,445	1,794,315	–	1,281,770	13,060,810
Credited/(charged) to the income statement	(847,032)	(288,360)	(8,466)	–	16,259	(1,127,599)
Disposals of subsidiaries and derecognition of then subsidiaries	(86,156)	(5,950)	–	–	(1,298,029)	(1,390,135)
At 31 December 2024	7,319,092	1,438,135	1,785,849	–	–	10,543,076

As at 31 December 2024, deferred income tax assets of RMB1,651,154,000 were offset against deferred income tax liabilities within the same tax jurisdictions (2023: RMB2,720,407,000).

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related benefit through future taxable profits is probable. As at 31 December 2024, the unrecognised tax losses for the PRC companies are as follows:

	2024	2023
Expiry date in:		
2024	–	4,130,037
2025	4,059,415	4,106,254
2026	4,639,227	4,550,797
2027	5,115,088	4,913,593
2028	4,611,634	9,462,246
2029	9,356,592	–
	27,781,956	27,162,927

(All amounts in RMB Yuan thousands unless otherwise stated)

27. CURRENT INCOME TAX LIABILITIES

	2024	2023
Land appreciation tax liabilities	19,274,537	17,915,324
Income tax liabilities	5,420,918	5,397,901
	24,695,455	23,313,225

28. OTHER INCOME/(EXPENSE)

	2024	2023
Interest income	44,855	159,756
Other operating income/(expense)	172,666	(411,302)
Forfeited deposits from customers	17,326	31,926
Dividends income from financial assets at FVOCI	3,424	5,596
Others	7,393	7,228
	245,664	(206,796)

29. OTHER LOSSES – NET

	2024	2023
Fair value losses on investment properties – net	(1,001,147)	(2,013,342)
Gains on disposals of subsidiaries	871,490	30,154
Gains/(losses) on disposal of certain equity interests in an associate and joint ventures	310,991	(96,566)
(Losses)/gains on disposals of property, plant and equipment	(4,438)	148,989
Losses on derecognition of then subsidiaries	(2,761,707)	–
Fair value losses on other financial assets	(143,766)	(217,908)
Allowance for impairment losses of goodwill	(11,699)	(468,528)
Allowance for impairment losses of property, plant and equipment	(264,372)	(156,236)
Others	(661,803)	(603,466)
	(3,666,451)	(3,376,903)

(All amounts in RMB Yuan thousands unless otherwise stated)

30. EXPENSES BY NATURE

Expenses by nature comprising cost of sales, selling and marketing costs and administrative expenses are analysed as follows:

	2024	2023
Cost of properties sold	**14,063,332**	28,340,724
Provision for impairment of properties under development and completed properties held for sale (Notes 15 and 16)	**2,642,951**	3,718,161
Employee benefit expenses	**1,759,229**	2,313,638
Depreciation of property, plant and equipment and right-of-use assets	**1,597,027**	2,062,845
Business taxes and other levies	**464,828**	500,347
Advertising costs	**26,016**	75,798
Office expenses	**168,610**	196,268
Amortisation of intangible assets	**44,105**	49,704
Short-term lease payments and low-value lease payments	**12,208**	13,931
Auditors' remuneration		
– Audit of the Company		
– Audit services	**4,700**	6,200
– Other auditors		
– Audit services	**2,160**	2,650
	6,860	8,850
Others	**2,229,823**	2,990,887
	23,014,989	40,271,153

31. EMPLOYEE BENEFIT EXPENSES

	2024	2023
Wages and salaries	**1,294,789**	1,728,395
Retirement scheme contributions	**373,323**	468,957
Other allowances and benefits	**91,117**	116,286
	1,759,229	2,313,638

(a) Pensions – defined contribution plans

In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries.

The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the PRC government.

(All amounts in RMB Yuan thousands unless otherwise stated)

31. EMPLOYEE BENEFIT EXPENSES (Continued)

(a) Pensions – defined contribution plans (continued)

The Group also participates in a retirement benefit scheme under the rules and regulations of the Mandatory Provident Fund Scheme Ordinance ("MPF Scheme") for all eligible employees in Hong Kong. The contributions to the MPF Scheme are based on minimum statutory contribution requirement of the lower of 5% of eligible employees' relevant aggregate income and HKD1,500. The assets of the MPF Scheme are held separately from those of the Group in independently administered funds.

The Group's contributions to the defined contribution retirement schemes are expensed as incurred. The Group's obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in amount and prior periods and discounting that amount.

For LSP obligation under the Hong Kong Employment Ordinance, the estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group's MPF contributions that have been vested with employees, which are deemed to be contribution from relevant employees.

For each of the financial years ended 31 December 2024 and 2023, there was no forfeited contribution under the MPF Scheme and the other defined contribution retirement benefit plans of the Group which may be used by the Group to reduce the contribution payable in the future years.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year do not include any director (2023: nil) whose emoluments are reflected in the analysis shown in Note 41. The emoluments payable to the five (2023: five) individuals during the year are as follows:

	2024	2023
Wages and salaries, housing allowances, other allowances and benefits in kind	**5,695**	10,088

The emoluments fell within the following bands:

	Number of individuals	
	2024	2023
Emolument bands		
HKD1,000,001 to HKD1,500,000	**5**	2
HKD1,500,001 to HKD2,000,000	**–**	1
HKD2,000,001 to HKD2,500,000	**–**	1
HKD4,500,001 to HKD5,000,000	**–**	1

(All amounts in RMB Yuan thousands unless otherwise stated)

32. FINANCE COSTS – NET

	2024	2023
Interest expenses:		
– bank borrowings	**4,490,707**	4,761,683
– domestic bonds (Note 24(b))	**1,142,297**	1,196,639
– senior notes (Note 24(c))	**2,234,666**	2,518,356
– other borrowings (Note 24(d))	**1,817,166**	2,410,889
– lease liabilities (Note 7(b))	**11,218**	15,439
	9,696,054	10,903,006
Net foreign exchange losses	**321,870**	640,206
Less: finance costs capitalised	**(4,109,053)**	(5,302,750)
	5,908,871	6,240,462

33. INCOME TAX EXPENSES

	2024	2023
Current income tax		
– Hong Kong profits tax (Note (a))	**28**	–
– enterprise income tax (Note (b))	**300,738**	955,006
– PRC land appreciation tax (Note (c))	**1,633,819**	2,396,698
Deferred income tax	**579,029**	2,480,024
Total income tax expenses (Note (d))	**2,513,614**	5,831,728

Notes:

(a) Hong Kong profits tax

Hong Kong profits tax is provided at the rate of 16.5% based on the estimated assessable profits for the year (2023: nil).

(b) Enterprise income tax

Enterprise income tax is computed according to the relevant laws and regulations enacted in the countries where the Group operated and generated taxable income.

In respect of the applicable income tax rates for the year ended 31 December 2024, the companies in the PRC, Cambodia and Malaysia were primarily taxed at 25%, 20% and 24% (2023: 25%, 20% and 24%) on their taxable profits, respectively.

(c) PRC land appreciation tax

Certain PRC subsidiaries are also subject to PRC land appreciation tax which is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sale of properties less deductible expenditures including costs of land use rights and development and construction expenditures.

33. INCOME TAX EXPENSES (Continued)

(d) The tax on the Group's loss before tax differs from the theoretical amount that would have arisen using the enacted income tax rate applicable to losses of the consolidated companies due to the following:

	2024	2023
Loss before income tax	**(15,275,376)**	(14,115,510)
Less: land appreciation tax	**(1,633,819)**	(2,396,698)
	(16,909,195)	(16,512,208)
Calculated at tax rate of 25% (2023: 25%)	**(4,227,299)**	(4,128,052)
Effects of:		
– Different income tax rates of certain companies	**(24,823)**	33,065
– Share of results of joint ventures and associates	**45,525**	75,888
– Expenses and development costs not deductible for tax purposes	**567,089**	769,266
– Tax losses for which no deferred income tax asset was recognised	**4,048,167**	6,671,405
– Items not subject to tax	**562,890**	197,201
– Others	**(91,754)**	(183,743)
Enterprise income tax	**879,795**	3,435,030
Land appreciation tax	**1,633,819**	2,396,698
Tax charges	**2,513,614**	5,831,728

(e) The tax charges relating to components of other comprehensive income are as follows:

	2024			2023		
	Before tax	**Tax credit**	**After tax**	Before tax	Tax credit	After tax
Fair value losses of financial assets at FVOCI	**(226,757)**	**67**	**(226,690)**	(148,926)	1,750	(147,176)

34. BASIC AND DILUTED LOSSES PER SHARE

Losses per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year.

	2024	2023
Loss attributable to owners of the Company	**(17,709,538)**	(20,164,485)
Weighted average number of ordinary shares in issue (thousands)	**3,752,367**	3,752,367
Losses per share (RMB per share)	**(4.7196)**	(5.3738)

There were no dilutive potential ordinary shares for the years ended 31 December 2024 and 2023, thus diluted losses per share were the same as basic losses per share.

35. DIVIDENDS

No dividends were declared in 2024 (2023: nil). The Board does not recommend the payment of any final dividends for the year ended 31 December 2024 (2023: nil).

(All amounts in RMB Yuan thousands unless otherwise stated)

36. CASH FLOW INFORMATION

(a) Cash generated from operations

	2024	2023
Loss before income tax	**(15,275,376)**	(14,115,510)
Adjustments for:		
– Capitalised finance costs included in costs of sales	**1,567,740**	2,847,377
– Interest income	**(44,855)**	(159,756)
– Finance costs – net	**5,908,871**	6,240,462
– Depreciation of property, plant and equipment and right-of-use assets	**1,597,027**	2,062,845
– Amortisation of intangible assets	**44,105**	49,704
– Losses/(gains) on disposals of property, plant and equipment	**4,438**	(148,989)
– (Gains)/losses on disposals of subsidiaries	**(871,490)**	(30,154)
– Dividend income from FVOCI	**(3,424)**	(5,596)
– Interest income from other financial assets	**–**	(229,298)
– (Gains)/losses on disposal of certain equity interests in associate and joint ventures	**(310,991)**	96,566
– Allowance for impairment losses of goodwill	**11,699**	468,528
– Allowance for impairment losses of property, plant and equipment	**264,372**	156,236
– Provision for impairment of properties under development and completed properties held for sale	**2,642,951**	3,718,161
– Loss on derecognition of then subsidiaries	**2,761,707**	–
– Share of results of joint ventures	**(4,133)**	404,625
– Share of results of associates	**108,590**	(378,240)
– Fair value loss on other financial assets	**143,766**	217,908
– Unrealised loss/(gain) on derivative financial instruments	**1,900**	(500)
– Fair value gains on investment properties	**1,001,147**	2,013,342
– Net impairment losses on financial and contract assets	**527,697**	232,646
– Elimination of unrealised (losses)/profits	**(173,468)**	510,807
Operating profit before changes in working capital	**(97,727)**	3,951,164
Changes in working capital:		
– Properties under development and completed properties held for sale	**(828,177)**	9,908,300
– Trade receivables	**771,299**	333,003
– Other receivables and prepayments	**(18,015,508)**	6,013,505
– Restricted cash	**645,149**	3,930,386
– Contract liabilities	**(5,565,505)**	(17,114,131)
– Accruals and other payables	**22,988,215**	(6,879,103)
– Contract assets	**421,498**	1,655,478
Cash generated from operations	**319,244**	1,798,602

(All amounts in RMB Yuan thousands unless otherwise stated)

36. CASH FLOW INFORMATION (Continued)

(b) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

Net debt

	2024	2023
Cash and cash equivalents	**787,385**	1,727,204
Borrowings	**(103,017,849)**	(127,304,176)
Lease liabilities	**(52,879)**	(378,670)
Other payable	**(10,531,483)**	(10,225,038)
Net debt	**(112,814,826)**	(136,180,680)
Cash and cash equivalents	**787,385**	1,727,204
Gross debt – fixed interest rates	**(72,228,308)**	(82,666,517)
Gross debt – variable interest rates	**(41,373,903)**	(55,241,367)
Net debt	**(112,814,826)**	(136,180,680)

		Liabilities from financing activities			
	Cash and cash equivalents	**Leases**	**Borrowings**	**Other payable**	**Total**
As at 1 January 2023	2,177,020	(462,689)	(126,658,764)	(8,451,368)	(133,395,801)
Cash flow	(457,415)	60,857	2,743,745	(531,574)	1,815,613
Currency translation differences	7,599	–	(1,141,712)	–	(1,134,113)
Other non-cash movements	–	23,162	(2,247,445)	(1,242,096)	(3,466,379)
As at 31 December 2023	1,727,204	(378,670)	(127,304,176)	(10,225,038)	(136,180,680)
As at 1 January 2024	**1,727,204**	**(378,670)**	**(127,304,176)**	**(10,225,038)**	**(136,180,680)**
Cash flow	**(965,767)**	**32,243**	**364,632**	**191,357**	**(377,535)**
Currency translation differences	**25,948**	**–**	**(568,962)**	**–**	**(543,014)**
Other non-cash movements	**–**	**293,548**	**24,490,657**	**(497,802)**	**24,286,403**
As at 31 December 2024	**787,385**	**(52,879)**	**(103,017,849)**	**(10,531,483)**	**(112,814,826)**

(c) Significant non-cash transaction

There were no significant non-cash transactions for the year ended 31 December 2024 (2023: nil).

(All amounts in RMB Yuan thousands unless otherwise stated)

37. FINANCIAL GUARANTEE CONTRACTS

	2024	2023
Guarantees in respect of mortgage facilities granted to purchasers of the Group's properties (Note (a))	**51,985,832**	63,734,066
Guarantees in respect of borrowings of joint ventures (Note (b))	**10,743,344**	11,633,322
Guarantees in respect of borrowings of associates (Note (b))	**15,900**	1,094,287
Subtotal	**10,759,244**	12,727,609
Total	**62,745,076**	76,461,675

Notes:

(a) The Group has arranged bank financing for certain purchasers of the Group's property units and provided guarantees to the banks over the repayment obligations of the purchasers. Such guarantees terminate upon the earlier of (i) issuance of the certificate of real estate ownership which will generally be available within an average period of 25 months upon the completion of guarantee registration; or (ii) the satisfaction of relevant mortgage loan by the purchasers.

Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the date of grant of the relevant mortgage loans and ends when the certificate of real estate ownership for the mortgage is issued and submitted to the banks. The directors consider that the fair value of these contracts at date of inception was minimal and in case of default in payments, the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interest and penalty and therefore no provision has been made in the financial statements for the guarantees.

(b) The balance represents the maximum exposure of the guarantees provided for joint ventures and associates for their borrowings.

38. COMMITMENTS

(a) Commitments for capital and property development activities

	2024	2023
Contracted but not provided for Property development activities (including land premium)	**12,033,074**	18,278,735

(b) Lease commitments

The Group leases various land use rights, offices, warehouses, office equipment and transportation equipment under non-cancellable operating leases expiring within 2 to 60 years. The leases have varying terms, escalation clauses and renewal rights.

From 1 January 2019, the Group has recognised right-of-use assets for these leases, except for short-term and low-value leases.

(All amounts in RMB Yuan thousands unless otherwise stated)

38. COMMITMENTS (Continued)

(b) Lease commitments (continued)

Minimum lease payments under non-cancellable short-term and low-value leases not recognised in the financial statements are as follows:

	2024	2023
No later than one year	**545**	2,953
Later than one year and no later than five years	**226**	730
Later than five years	**564**	606
	1,335	4,289

(c) Operating lease rentals receivable

Minimum lease payments receivable on leases of investment properties are as follows:

	2024	2023
No later than one year	**696,506**	80,443
Later than one year and no later than five years	**1,120,955**	251,410
Later than five years	**223,008**	112,103
	2,040,469	443,956

39. SIGNIFICANT RELATED-PARTY TRANSACTIONS

The major shareholders of the Group include Dr. Li Sze Lim and Mr. Zhang Li, who own 28.97% and 27.77%, respectively as at 31 December 2024, of the Company's shares.

The Company entered into the disposal framework agreement in relation to the transaction with Hainan Hangxiao Real Estate Development Co., Ltd., Beijing R&F Properties Development Co., Ltd., Beijing R&F Tianchuang Advertising Co., Ltd., Qinhuangdao Jifu Properties Co., Ltd. and Kinetic (Qinhuangdao) Energy Group Co., Ltd. Details of the disposal framework agreement was disclosed in the announcement which have been published on 6 January 2025.

Except for the above, the remaining transactions are based on the price lists in force and terms that would be available to third parties. The following transactions were carried out with related parties:

(a) Key management compensation

	2024	2023
Salaries and welfare benefits	**16,212**	24,815

(All amounts in RMB Yuan thousands unless otherwise stated)

39. SIGNIFICANT RELATED-PARTY TRANSACTIONS (Continued)

(b) Provision of construction and other services

	2024	2023
Joint ventures	551,477	771,115
Associates	657	1,330
	552,134	772,445

(c) Provision of guarantees for borrowings

The Group and other shareholders have jointly provided guarantees for certain borrowings granted to the Group's joint ventures and associates for project development purposes. As at 31 December 2024, the Group's guarantees for borrowings provided to its joint ventures and associates are shown as follows:

(i) Bank borrowings

	2024	2023
Joint ventures	8,346,977	8,695,194
An associate	–	178,800
	8,346,977	8,873,994

(ii) Other borrowings

	2024	2023
A joint venture	1,275,334	1,613,568
An associate	15,500	913,420
	1,290,834	2,526,988

(d) Interest income on loans to related parties

	2024	2023
Joint ventures	26,685	57,183

(e) Interest expense on borrowings from related parties

	2024	2023
A joint venture	33,595	37,813
Major shareholders	120,318	83,494
	153,913	121,307

(All amounts in RMB Yuan thousands unless otherwise stated)

39. SIGNIFICANT RELATED-PARTY TRANSACTIONS (Continued)

(f) Balances with related parties

As at 31 December 2024, the Group had the following significant balances with related parties:

	2024	2023
Due from:		
Joint ventures		
– Non-trade balances (Note (i))	**3,739,791**	4,179,672
– Trade balances	**414,395**	483,508
	4,154,186	4,663,180
Associates		
– Non-trade balances (Note (i))	**1,865,435**	1,915,591
– Trade balances	**9,939**	10,103
	1,875,374	1,925,694
	6,029,560	6,588,874
Due to:		
Joint ventures		
– Non-trade balances (Note (ii))	**8,856,003**	9,451,685
Associates		
– Non-trade balances (Note (ii))	**399,946**	401,069
– Trade balances	**–**	60
	399,946	401,129
Entities jointly controlled by major shareholders of the Company and other related parties of the Company		
– Non-trade balances (Note (ii))	**175,408**	415,696
– Trade balances	**–**	793
	175,408	416,489
Major shareholders		
– Non-trade balances (Note (ii))	**967,290**	369,389
– Entrusted loans classified as borrowings (Note (iii))	**915,000**	915,000
	1,882,290	1,284,389
	11,313,647	11,553,692

Notes:

(i) The non-trade balances due from related parties are interest free except for the balances with a joint venture amounting to RMB24,889,000 (2023: RMB1,990,794,000), which bear interest of 8.00% (2023: 2.25% to 8.00%) per annum.

The non-trade balances due from related parties are unsecured and have no fix repayment terms.

(ii) The non-trade balances due to related parties are interest free except for the balance with a joint venture amounting to RMB1,112,689,000 (2023: RMB1,079,095,000) and the balances with major shareholders amounting to RMB560,899,000 (2023: nil), which bears interest of 4.31% (2023: 4.31%) and 7% (2023: nil) per annum respectively.

The non-trade balances due to related parties are unsecured and have no fix repayment terms.

(iii) During the year ended 31 December 2024, the entrusted loans provided by the major shareholders will mature in 2025 with interest rate of 9% per annum and unsecured (2023: mature in 2024 with interest rate of 9% per annum and unsecured).

(All amounts in RMB Yuan thousands unless otherwise stated)

40. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

Balance sheet of the Company

		As at 31 December	
		2024	2023
ASSETS			
Non-current assets			
Right-of-use assets		**14,435**	14,943
Property, plant and equipment		**219,549**	229,019
Investment properties		**278,420**	301,700
Intangible assets		**134,144**	158,255
Investments in subsidiaries		**31,812,658**	31,935,464
Interests in joint ventures		**1,312,919**	1,364,119
Interests in associates		**188,704**	153,689
Deferred income tax assets		**1,077,295**	977,295
		35,038,124	35,134,484
Current assets			
Properties under development		**914,134**	892,922
Completed properties held for sale		**788,051**	824,894
Trade and other receivables and prepayments		**81,477,413**	88,146,895
Restricted cash		**144,986**	184,325
Cash and cash equivalents		**5,056**	570
		83,329,640	90,049,606
Total assets		**118,367,764**	125,184,090
EQUITY			
Equity attributable to owners of the Company			
Share capital		**3,752,367**	3,752,367
Other reserves	Note (a)	**7,013,096**	7,013,096
Retained earnings	Note (a)	**316,215**	1,122,542
Total equity		**11,081,678**	11,888,005
LIABILITIES			
Non-current liabilities			
Long-term borrowings		**3,628,131**	17,137,092
		3,628,131	17,137,092
Current liabilities			
Accruals and other payables		**81,721,747**	88,898,766
Contract liabilities		**470**	3,424
Current income tax liabilities		**1,613,181**	845,872
Dividend payable		**369,787**	369,981
Derivative financial instruments		**15,400**	13,500
Current portion of long-term borrowings		**19,937,370**	6,027,450
		103,657,955	96,158,993
Total liabilities		**107,286,086**	113,296,085
Total equity and liabilities		**118,367,764**	125,184,090

The balance sheet of the Company was approved by the Board of Directors on 28 March 2025 and were signed on its behalf.

Li Sze Lim	**Zhang Hui**
Director	*Director*

(All amounts in RMB Yuan thousands unless otherwise stated)

40. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

Note:

(a) Reserve movement of the Company

	Retained earnings	Other reserves
Balance as at 1 January 2023	2,506,208	7,013,096
Loss for the year	(1,383,666)	–
Balance as at 31 December 2023	1,122,542	7,013,096
Balance as at 1 January 2024	**1,122,542**	**7,013,096**
Loss for the year	**(806,327)**	**–**
Balance as at 31 December 2024	**316,215**	**7,013,096**

41. BENEFITS AND INTERESTS OF DIRECTORS AND SUPERVISORS

(a) Directors' emoluments

The remuneration of every director is set out below:

For the year ended 31 December 2024:

Name of Director	**Fees**	**Salary**	**Employer's contribution to a retirement benefit scheme**	**Total**
Executive Directors:				
Dr. Li Sze Lim	**–**	**3,495**	**–**	**3,495**
Mr. Zhang Hui	**–**	**960**	**–**	**960**
Mr. Xiang Lijun	**–**	**880**	**–**	**880**
Mr. Zhao Feng (Note (ii))	**–**	**1,196**	**–**	**1,196**
Non-executive Directors:				
Ms. Zhang Lin	**449**	**–**	**–**	**449**
Ms. Li Helen	**449**	**–**	**–**	**449**
Independent non-executive Directors:				
Mr. Ng Yau Wah Daniel	**339**	**–**	**–**	**339**
Mr. Wong Chun Bong	**339**	**–**	**–**	**339**
Mr. Zheng Ercheng	**361**	**–**	**–**	**361**

For the year ended 31 December 2023:

Name of Director	Fees	Salary	Employer's contribution to a retirement benefit scheme	Total
Executive Directors:				
Dr. Li Sze Lim	–	3,481	–	3,481
Mr. Zhang Li (Note (i))	–	3,481	–	3,481
Mr. Zhang Hui	–	1,140	–	1,140
Mr. Xiang Lijun	–	1,200	–	1,200
Non-executive Directors:				
Ms. Zhang Lin	443	–	–	443
Ms. Li Helen	443	–	–	443
Independent non-executive Directors:				
Mr. Ng Yau Wah Daniel	335	–	–	335
Mr. Wong Chun Bong	357	–	–	357
Mr. Zheng Ercheng	335	–	–	335

(All amounts in RMB Yuan thousands unless otherwise stated)

41. BENEFITS AND INTERESTS OF DIRECTORS AND SUPERVISORS (Continued)

(b) Supervisors' emoluments

The remuneration of every Supervisor for the year ended 31 December 2024 is set out below:

Name of Supervisor	Salary
Mr. Chen Liangnuan	72
Mr. Zhang Yucong	72
Mr. Zhao Xianglin	66

The remuneration of every Supervisor for the year ended 31 December 2023 is set out below:

Name of Supervisor	Salary
Mr. Chen Liangnuan	72
Mr. Zhang Yucong	72
Mr. Zhao Xianglin	66

Notes:

(i) During the year ended 31 December 2022, Mr. Zhang Li is also the Chief Executive of the Company. On 29 December 2023, Mr. Zhang Li has resigned as a director and the chief executive officer of the Company (the "CEO") due to his other commitments which require more of his time and dedication.

(ii) On 31 May 2024, Mr. Zhao Feng being appointed as the Company's executive director.

(iii) During the year 2024, no directors waived or has agreed to waive any emoluments (2023: nil).

(iv) During the year, no emolument was paid by the Group to any of the above directors as an inducement to join or upon joining the Group or as compensation for loss of office (2023: nil).

(c) Directors' retirement benefits and termination benefits

Save for those disclosed in note (a) above, none of the directors received or will receive any other retirement benefits or termination benefits for the year ended 31 December 2024 (2023: nil).

(d) Consideration provided to third parties for making available directors' services

For the year ended 31 December 2024, the Group did not pay consideration to any third parties for making available directors' services (2023: nil).

(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

As at 31 December 2024, there is no loans, quasi-loans and other dealing arrangements in favour of directors, controlled bodies corporate by and connected entities with such directors (2023: nil).

(f) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2023: nil).

42. DERECOGNITION OF THEN SUBSIDIARIES

On 13 January 2023, a facility agreement for a principal amount of USD540,417,000 (the "Trillion Glory Loan") was entered into by, among others, Trillion Glory Limited ("Trillion Glory"), a subsidiary of the Company, as borrower, Noble Ease Limited ("Noble Ease") and R&F Properties (HK) Company Limited ("R&F (HK)"), both subsidiaries of the Company, as guarantors, the Company as one of the obligors, Serica Agency Limited ("Security Agent") as agent and security agent, and the lenders named therein. The Trillion Glory Loan was due on 31 October 2023, after which standstill deeds were signed and demand notices were served to Trillion Glory and R&F (HK).

On 8 July 2024 and 19 August 2024, Trillion Glory and R&F (HK) each received a winding-up petition filed by Seatown Private Credit Master Fund (the "Petitioner" and one of the lenders holding 18% of the outstanding principal amount of the Trillion Glory Loan), at the High Court of the Hong Kong Special Administrative Region of the PRC in relation to the non-repayment of the Petitioner's pro-rata share of the principal amount of the Trillion Glory Loan, together with accrued interest.

On 3 September 2024, Trillion Glory, Noble Ease (collectively named "Noble Ease Group") and R&F (HK), each received a notice from the Security Agent, on behalf of the lenders and pursuant to the terms of the facility agreement of the Trillion Glory Loan, regarding the appointment of Chan Leung Lee and Yuen Tsz Chun of Frank Forensic and Corporate Recovery Limited, as joint and several receivers (the "Receivers") in respect of the assets subject to security created in favour of the Security Agent, including, among others, equity interest in Noble Ease and Trillion Glory held by R&F (HK) and Noble Ease respectively and assets of Trillion Glory. Trillion Glory holds the entire equity interest of a wholly-owned PRC subsidiary of the Company which indirectly holds 68 hotels and 1 office building in the PRC (the "Target Assets"). The management of the Group proactively communicates and works with the lenders of the Trillion Glory Loan for an overall settlement plan and the withdrawal of the winding-up petitions for Trillion Glory and R&F (HK).

Accordingly, the board of directors considered that the Group lost the control over Noble Ease Group under HKFRS 10 "Consolidated Financial Statements" on 3 September 2024 and Noble Ease Group was derecognised as then subsidiaries and the equity interest in Noble Ease Group was then classified as financial asset at fair value through other comprehensive income and was included as "Financial assets at fair value through other comprehensive income" on the consolidated balance sheet.

(All amounts in RMB Yuan thousands unless otherwise stated)

42. DERECOGNITION OF THEN SUBSIDIARIES (Continued)

Net assets of:	
Cash and cash equivalents	548,615
Restricted cash	25,991
Right-of-use assets	5,260,437
Trade and other receivables and prepayments	930,329
Inventories	29,850
Investment properties	1,298,500
Intangible assets	6,834
Property, plant and equipment	20,223,376
Accruals and other payables	(9,254,700)
Contract liabilities	(167,030)
Current income tax liabilities	(14,869)
Current portion of long-term borrowings	(11,548,273)
Deferred income tax liabilities, net	(411,371)
Subtotal	6,927,689
Losses on derecognition of then subsidiaries (Note (a))	(2,761,707)
Satisfied by:	
Financial assets at fair value through other comprehensive income	4,165,982

An analysis of the net outflow of cash and cash equivalents in respect of the derecognition of then subsidiaries are as follows:

Cash consideration	–
Cash and cash equivalents disposed of	(548,615)
Net outflow of cash and cash equivalents in respect of derecognition of then subsidiaries	(548,615)

Note:

(a) A significant loss on derecognition of then subsidiaries resulted mainly because of the differences between the fair value of the equity interest in Noble Ease Group and the original carrying amounts of respective assets and liabilities of Noble Ease Group.

The fair value of the equity interest in Noble Ease Group was determined based on discounted net realisation value (i.e., discounted cash flow method from realisation of assets and settlement of liabilities of Noble Ease Group). In determining the fair value of the equity interest in Noble Ease Group, the board of directors had taken into account (i) the fair values of the underlying major assets with repossession discount and liabilities of Noble Ease Group; (ii) relevant expenses, payments and tax for disposals of the assets, in particular, the properties, according to the prevailing tax rules and other relevant law and regulations; (iii) the timing to recover the investment; and (iv) the discount rate.

(All amounts in RMB Yuan thousands unless otherwise stated)

43. EQUITY INTEREST IN NOBLE EASE GROUP

The movements of the carrying amount of the Group's equity interest in Noble Ease Group during the year are as follows:

Carrying amount at 1 January 2024	–
Derecognition of then subsidiaries (Note 42)	4,165,982
Changes in fair value recognised in the consolidated statement of comprehensive income	(132,259)
Carrying amount at 31 December 2024	4,033,723

Management is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, management analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved at least once a year or more frequently as needed.

The fair value of the Group's equity interest in Noble Ease Group is estimated by using significant unobservable inputs. The fair value measurement is categorised under Level 3. On date of derecognition of then subsidiaries and 31 December 2024, the fair values were determined based on discounted net realisation value (i.e., discounted cash flow method from realisation of assets and settlement of liabilities of Noble Ease Group) which have taken into account (i) the fair values of the underlying major assets with repossession discount and liabilities of Noble Ease Group; (ii) relevant expenses, payments and tax upon disposals of the assets, in particular, the hotel properties, according to the prevailing tax rules and other relevant law and regulations; and (iii) 2 year periods to recover the investment. The discount rate applied to the cash flow projections is 8%. Increase in the discount rate by 1% would result in decrease in its fair value as at 31 December 2024 by approximately RMB215,852,000. Decrease in the discount rate by 1% would result in increase in its fair value as at 31 December 2024 by approximately RMB209,939,000.

Independent qualified valuer was engaged to assist management in the process to estimate the fair values of underlying hotel buildings being classified as property, plant and equipment, right-of-use assets of the entity, respectively, based on income capitalisation approach and repossession discount. In estimating the fair values, the valuers assume the current use is the highest and best use of these properties. In addition, management also has taken professional advices, including but not limited to legal advisors and other professional parties, as necessary, and follows their advices in the process of preparation of the above expected future cash flow assessment.

The directors believe that the estimated fair values resulting from the above valuation technique, which are recorded in the consolidated balance sheet, and the related changes in fair values, which are recorded in consolidated statement of comprehensive income, are reasonable, and that they were the most appropriate values at the end of the reporting period.

During the year, there were no transfer between level of fair value measurements.

(All amounts in RMB Yuan thousands unless otherwise stated)

43. EQUITY INTEREST IN NOBLE EASE GROUP (Continued)

Below is a summary of the valuation techniques used and the key inputs to the valuation of key underlying assets of hotel properties:

Description	Fair value at 31 December 2024	Valuation techniques	Significant unobservable inputs	Range of unobservable inputs at 31 December 2024	Relationship of unobservable inputs to fair value
Hotel buildings	21,974,384	Income capitalisation approach	Hotel properties – Discount rates	5%-5.5%	The higher the discount rates, the lower the fair value of hotel buildings
			Hotel properties – Occupancy rates	36%-83%	The higher the occupancy rates, the higher the fair value of hotel buildings
			Hotel properties – Room rate growth rates	2%-15%	The higher the room rate growth rates, the higher the fair value of hotel buildings
			Average daily room rate (RMB/square metre)	323-1,157	The higher the daily room rate, the higher the fair value of hotel buildings
			Repossession discount	15%	The higher the repossession discount, the lower the fair value of hotels buildings

Repossession discount is then applied to the fair value of the hotel properties which is the price adjustment that might reasonably be expected to realise within a specified period from the sale of hotel properties in the market under repossession on an “as is” basis.

44. DISPOSAL OF SUBSIDIARIES

The below listed the principal disposal of subsidiaries of the Group, which, in the opinion of the directors, principally affect the “Gains on disposals of subsidiaries” in the consolidated income statement (Note 29). To give full details of disposal of subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

On 15 April 2024, R&F Properties (HK) Company Limited, a subsidiary of the Company (the “Seller”) and London One Limited (the “Purchaser”) entered into a sale and purchase agreement (the “Agreement”) pursuant to which the Seller would conditionally agree to sell the entire issued share capital (the “Sale Shares”) of R&F International Real Estate Investment Co. Limited (the “Target Company”), a subsidiary of the Company, and together with its subsidiaries (the “Target Group”) and to assign the entire loan owing by the Target Company to the Seller as at completion (the “Sale Loan”). The Purchaser would conditionally agree to acquire the Sale Shares and take assignment of the Sale Loan. The consideration for the Sale Shares is HKD1.00 to be settled in cash, and the consideration for the Sale Loan is all the existing notes issued by Easy Tactic Limited, a subsidiary of the Company, with minimum principal amount of USD800,000,000, to be received by the Purchaser under the exchange offers conducted by the Purchaser (the “Exchange Offers”).

The disposal was completed on 8 May 2024. The principal amount of the Senior Notes validly tendered and accepted for exchange in relation to the Exchange Offers is approximately USD1,170,484,000 (equivalent to approximately RMB8,312,311,000).

(All amounts in RMB Yuan thousands unless otherwise stated)

44. DISPOSAL OF SUBSIDIARIES (Continued)

The net liabilities of the Target Group at the date of disposal were as follow:

Property, plant and equipment	2,140,990
Right-of-use assets	208,908
Properties under development	11,492,646
Trade and other receivables and prepayments	133,049
Cash and cash equivalents	52,941
Accruals and other payables	(16,077,634)
Deferred income tax liabilities, net	(645,570)
Net liabilities being disposed of	(2,694,670)
Release of accumulated translation reserve	105,680
	(2,588,990)
Consideration, net of transaction cost	(8,156,853)
Less: Assignment of Sale Loan	8,640,973
Net consideration	484,120
Gain on disposal of subsidiaries	2,104,870
Cash consideration received	–
Cash of the subsidiaries disposed	(52,941)
Net cash outflow arising on disposal	(52,941)

In 2024, the Group entered into a sales and purchase agreement to dispose two wholly owned subsidiaries, Vauxhall Square (Nominee 1) Limited and Vauxhall Homes Limited and the amounts due by these two wholly owned subsidiaries to the Group of approximately RMB2,069,695,000 at cash consideration together of approximately GBP94,036,000, equivalents to approximately RMB848,436,000.

The net liabilities of the companies at the date of disposal were as follow:

Properties under development	1,782,830
Trade and other receivables and prepayments	198
Deferred income tax assets, net	94,842
Accruals and other payables	(2,062,105)
Net liabilities being disposed of	(184,235)
Release of accumulated translation reserve	8,254
	(175,981)
Consideration	(848,436)
Less: Amounts due to the Group	2,069,695
Net consideration	1,221,259
Loss on disposal of subsidiaries	1,045,278
Consideration	848,436
Exchange gains	4,517
Cash consideration received	852,953
Net cash inflow arising on disposal	852,953

45. LITIGATIONS

As at the reporting date, the Group has the following significant litigations with its business partners which remain outstanding:

(a) A management company as claimant filed a lawsuit against the Group in relation to a loan contract dispute with a claim amount of approximately RMB1.876 billion. Such lawsuit has been accepted by 天津市第三中級人民法院 (Tianjin No. 3 Intermediate People's Court). As at the reporting date, the lawsuit is still in progress.

(b) A PRC bank as claimant filed a lawsuit against the Group in relation to a loan contract dispute with a claim amount of approximately RMB1.188 billion. The lawsuit has been accepted by 廣州市中級人民法院 (Guangzhou Intermediate People's Court). As at the reporting date, the lawsuit is still in progress.

(c) A private equity fund as claimant filed winding-up petitions against two subsidiaries of the Group for non-repayment of its pro rata share of 18% of a loan contract (equivalent to approximately RMB800 million) and such winding-up petitions have been accepted by the High Court of the Hong Kong Special Administrative Region. As at the reporting date, the lawsuit is still in progress.

(d) 國興環球土地整理開發有限公司 (Guoxing Global Land Reclamation and Development Co., Ltd.*) ("Guoxing Global") as claimant filed a lawsuit against 富力(北京)地產開發有限公司 (R&F (Beijing) Property Development Co., Ltd.*) ("R&F Beijing"), a subsidiary of the Company, for adjudication by 河北省高級人民法院 (The High People's Court of Hebei Province) (the "Hebei High People's Court") in relation to a contractual dispute over a land development project, in respect of which Guoxing Global claimed against R&F Beijing for land consolidation costs of RMB649 million and interest and legal costs incurred thereon, and counterclaims were made by R&F Beijing against Guoxing Global. Such lawsuit was adjudicated by the Hebei High People's Court and a first instance judgement was handed down in December 2018. Subsequently, both R&F Beijing and Guoxing Global sought and obtained a ruling from 中華人民共和國最高人民法院 (The Supreme People's Court of the People's Republic of China) (the "SPC") to overturn the first instance judgement of the Hebei High People's Court and the lawsuit was reverted to the Hebei High People's Court for retrial. The Hebei High People's Court handed down its first instance retrial judgment, pursuant to which all claims and counterclaims by the parties were dismissed. Afterwards, both R&F Beijing and Guoxing Global filed an appeal with the SPC. As at the reporting date, the appeal with the SPC is still in progress.

(e) A PRC bank as claimant filed a lawsuit against the Group in relation to a loan contract dispute with a claim amount of approximately RMB632 million. Such lawsuit has been accepted by 廣州市中級人民法院 (Guangzhou Intermediate People's Court). The Guangzhou Intermediate People's Court handed down a first instance judgement to order the Group to repay the loan principal and pay the interest and penalty interest to the claimant. In March 2025, 廣東省高級人民法院 (Guangdong Provincial High People's Court) issued the second instance judgement which maintained the rulings of the first instance judgement.

(f) A property development company as claimant filed a lawsuit against the Group in relation to a contractual dispute over certain loan arrangement with a claim amount of approximately RMB523 million. Such lawsuit has been accepted by 上海市第二中級人民法院 (Shanghai No. 2 Intermediate People's Court). In January 2025, the Shanghai No. 2 Intermediate People's Court made a first instance judgment. Subsequently, the Group has appealed against the first instance judgement. As at the reporting date, the lawsuit is still in progress.

(g) A trust company as claimant filed an arbitration application against the Group in relation to a loan contract dispute with a claim amount of approximately RMB515 million. Such arbitration application has been accepted by 深圳國際仲裁院 (Shenzhen Court of International Arbitration). As at the reporting date, the arbitration case is still in progress.

(All amounts in RMB Yuan thousands unless otherwise stated)

RECONCILIATION OF CONSOLIDATED FINANCIAL STATEMENTS

The Group has prepared a separate set of consolidated financial statements for the year ended 31 December 2024 in accordance with China Accounting Standards for Business Enterprises ("CAS"). The differences between the consolidated financial statements prepared under CAS and HKFRS are summarised as follows:

	Loss for the year ended 31 December		**Total equity as at 31 December**	
	2024	2023	**2024**	2023
As stated in accordance with CAS	**(15,484,878)**	(19,732,293)	**26,163,053**	41,821,127
Impact of HKFRS adjustments:				
1. Amortisation of revaluation gains arising from business combinations	**(222)**	(183)	**34,287**	34,509
2. Deferred taxation	**55**	46	**(8,573)**	(8,628)
3. Revaluation (losses)/gains on investment properties transferred from properties under development	**(26,739)**	(36,237)	**3,267**	3,267
4. Revaluation model of subsequent measurement for hotel buildings	**(2,277,206)**	(178,571)	**2,264,681**	4,541,887
As stated in accordance with HKFRS	**(17,788,990)**	(19,947,238)	**28,456,715**	46,392,162

Notes:

1. The Group adopted SSAP27 "Accounting for Group Reconstructions" for acquisition of certain subsidiaries before the issuance of Accounting Guideline 5 "Merger Accounting for Common Control Combinations" in November 2005. As the acquisitions did not meet the conditions for using merger accounting under SSAP 27, which prevented the use of predecessor costs when non-controlling interests or rights of the ultimate shareholder have changed, the Group adopted purchase method to account for the acquisitions.

2. It refers to the effects of deferred tax arising from the above adjustments and recognition of deferred tax due to tax rate difference.

3. The revaluation gains on investment properties transferred from properties under development was recognised in income statement under HKFRS, while in accordance with CAS was recognised in other comprehensive income.

4. The Group changed its accounting policies on hotel buildings to follow the revaluation model under HKAS 16 with effective from 1 January 2020.

FIVE-YEAR FINANCIAL SUMMARY

(All amounts in RMB Yuan thousands)

CONSOLIDATED BALANCE SHEET (AS AT 31 DECEMBER)

	2024	2023	2022	2021	2020
Non-current assets	**78,451,732**	108,534,286	116,914,889	123,346,672	114,409,335
Current assets	**212,141,101**	226,333,943	252,006,047	275,195,662	327,775,880
Total assets	**290,592,833**	334,868,229	368,920,936	398,542,334	442,185,215
Non-current liabilities	**18,319,463**	91,436,722	94,761,191	78,522,225	107,952,433
Current liabilities	**243,816,655**	197,039,345	207,218,724	237,161,468	242,227,439
Total liabilities	**262,136,118**	288,476,067	301,979,915	315,683,693	350,179,872
Total equity	**28,456,715**	46,392,162	66,941,021	82,858,641	92,005,343

CONSOLIDATED INCOME STATEMENT (YEAR ENDED 31 DECEMBER)

	2024	2023	2022	2021	2020
Revenue	**17,701,425**	36,238,835	35,192,599	76,230,335	85,891,778
Cost of sales	**(18,525,325)**	(34,319,596)	(31,365,663)	(78,397,540)	(65,503,286)
Gross (loss)/profit	**(823,900)**	1,919,239	3,826,936	(2,167,205)	20,388,492
Other income/(expense) and other (losses)/gains – net	**(3,420,787)**	(3,583,699)	(3,067,541)	1,729,284	7,297,802
Selling and marketing costs	**(1,060,940)**	(1,465,353)	(1,366,829)	(3,650,053)	(3,258,776)
Administrative expenses	**(3,428,724)**	(4,486,204)	(4,364,864)	(6,002,200)	(6,226,248)
Net impairment losses on financial and contract assets	**(527,697)**	(232,646)	(54,644)	(147,223)	(172,383)
Gains on bargain purchase	**–**	–	760	508,209	66,909
Operating (loss)/profit	**(9,262,048)**	(7,848,663)	(5,026,182)	(9,729,188)	18,095,796
Finance costs – net	**(5,908,871)**	(6,240,462)	(9,727,154)	(4,164,605)	(2,408,771)
Share of results of joint ventures	**4,133**	(404,625)	481,633	505,529	292,178
Share of results of associates	**(108,590)**	378,240	136,874	26,723	(67,520)
(Loss)/profit before income tax	**(15,275,376)**	(14,115,510)	(14,134,829)	(13,361,541)	15,911,683
Income tax expenses	**(2,513,614)**	(5,831,728)	(1,644,444)	(2,991,741)	(6,765,368)
(Loss)/profit for the year	**(17,788,990)**	(19,947,238)	(15,779,273)	(16,353,282)	9,146,315
Attributable to:					
Owners of the Company	**(17,709,538)**	(20,164,485)	(15,736,650)	(16,469,189)	9,004,814
Non-controlling interests	**(79,452)**	217,247	(42,623)	115,907	141,501

DEVELOPMENT PROPERTY	The Group's Interest (%)	Use	Approximate Total Site Area (sq.m.)	Approximate Uncompleted Total GFA (sq.m.)	Approximate Uncompleted Total GFA held by Group (sq.m.)
Properties held for sale					
China					
Guangzhou					
Guangzhou R&F Global Merchandise Center	100%	Office & Retail	198,668	616,000	616,000
Guangzhou Baogang Road Project	100%	Residential & Retail	4,031	43,000	43,000
Guangzhou Zhongshanliu Road Project	100%	Retail	4,627	33,000	33,000
Guangzhou R&F Yuexi City (Bicun Village Project)	65%	Residential	208,482	483,000	314,000
Guangzhou R&F Fuyi Prosperous Palace (certain land of Maogang Village Project)	45%	Residential	215,992	575,000	259,000
Guangzhou R&F Peak of Cloud (Chentian Project)	100%	Residential & Retail	27,564	114,000	114,000
Zhuhai					
Zhuhai R&F Xintiandi (Xiangzhou Hengxin Industrial City Project)	68%	Residential, Apartment & Retail	16,813	237,000	160,000
Huizhou					
Huizhou R&F Hot Spring Valley (excluding Hilton Hotel)	100%	Residential & Retail	1,630,681	370,000	370,000
Huizhou R&F Bay Shore (excluding Hilton Hotel)	100%	Residential & Retail	1,318,673	1,010,000	1,010,000
Huizhou R&F Modern Plaza	100%	Residential & Retail	79,167	48,000	48,000
Huizhou R&F Huilin Hot Spring Village	100%	Residential	698,012	15,000	15,000
Huizhou R&F Shangyue Court (Jilong Town Project)	100%	Residential	110,505	44,000	44,000
Meizhou					
Meizhou R&F City	100%	Residential & Retail	832,689	310,000	310,000
Meizhou R&F Yanshan Lake	100%	Residential	218,046	359,000	359,000
Shaoguan					
Shaoguan R&F City (Wanziqianhong Project)	65%	Residential	131,419	229,000	149,000
Zhaoqing					
Zhaoqing R&F Shangyue Court (Dinghu New City 46 District Project)	100%	Residential, Apartment & Retail	46,407	68,000	68,000
Yangjiang					
Yangjiang R&F Bay Shore (Shapa Town Project)	100%	Residential	69,466	109,000	109,000
Yingde					
Yingde R&F Golden Jubilee Garden (Yinghong Town Project)	100%	Residential	69,872	151,000	151,000
Lechang					
Lechang R&F Shangyue Court (Lecheng Street Project)	100%	Residential	101,593	349,000	349,000

DEVELOPMENT PROPERTY	The Group's Interest (%)	Use	Approximate Total Site Area (sq.m.)	Approximate Uncompleted Total GFA (sq.m.)	Approximate Uncompleted Total GFA held by Group (sq.m.)
Properties held for sale					
Qingyuan					
Qingyuan China-Israel Science and Technology Town	100%	Residential & Industrial	195,572	255,000	255,000
Zhongshan					
Zhongshan R&F Center (Shiqi CBD Project)	100%	Retail	19,798	127,000	127,000
Heyuan					
Heyuan R&F Tianxi Garden (Linjiang Industrial Park Project)	100%	Residential	125,684	271,000	271,000
Hainan					
Hainan R&F Bay Shore (excluding Marriot Hotel)	100%	Residential & Retail	1,702,993	132,000	132,000
Hainan R&F Mangrove Bay (excluding Hilton Hotel)	100%	Residential & Retail	4,352,042	1,470,000	1,470,000
Hainan R&F Moon Bay Shore (Wenchang Project)	100%	Residential & Retail	277,160	42,000	42,000
Hainan R&F Yuehai Bay Shore (Lingao Project)	100%	Residential & Retail	586,240	250,000	250,000
Hainan Lingshui Ocean Tour and Information Creative Park	100%	Retail	46,824	83,000	83,000
Xiangtan					
Xiangtan Xiangjiang R&F City (Xiangjiang Jiuhua Project)	100%	Residential & Retail	1,325,817	3,051,000	3,051,000
Changsha					
Changsha Xirong Plaza	26%	Residential, Apartment & Office	148,265	58,000	15,000
Changsha Furong Xintiandi	100%	Residential	32,095	292,000	292,000
Wuhan					
Wuhan Meiqiao R&F Plaza	50%	Office, Apartment & Retail	21,754	239,000	120,000
Wuhan R&F Xixi Yueju (Dongxihu District Project)	100%	Residential	66,940	180,000	180,000
Wuhan Jiangxia Technology Innovation Center	100%	Apartment, Office, Retail & Hotel	54,025	189,000	189,000
Tianmen					
Tianmen R&F Cambridge Court (Huiqiao Avenue Project)	100%	Residential	79,395	69,000	69,000
Ezhou					
Ezhou R&F Golden Jubilee Yue City (Wenchang Avenue Project)	100%	Residential	54,676	108,000	108,000
Fuzhou					
Fuzhou R&F Yueshanhu (Jinshui Lake Project)	100%	Residential, Hotel & Retail	147,631	332,000	332,000

DEVELOPMENT PROPERTY	The Group's Interest (%)	Use	Approximate Total Site Area (sq.m.)	Approximate Uncompleted Total GFA (sq.m.)	Approximate Uncompleted Total GFA held by Group (sq.m.)
Properties held for sale					
Zhangzhou					
Zhangzhou R&F Jinxiutaoyuan	100%	Residential	179,666	142,000	142,000
Nanchang					
Nanchang R&F Prosperous Palace (Honggutan Project)	100%	Residential & Retail	36,351	80,000	80,000
Jiujiang					
Jiujiang R&F Wenlan Residence	33%	Residential	40,061	119,000	40,000
Jiujiang R&F Xunyang Mansion	60%	Residential	48,135	47,000	28,000
Fuzhou					
Fuzhou R&F Shangyue Court (Nanfeng County Project)	100%	Residential	50,103	34,000	34,000
Ganzhou					
Ganzhou R&F Modern City (excluding IP portion)	100%	Residential, Apartment & Office	363,534	435,000	435,000
Chongqing					
Chongqing R&F City	100%	Residential & Retail	1,981,995	2,194,000	2,194,000
Chongqing R&F Bay Shore (Yubei Project)	100%	Residential & Retail	173,630	285,000	285,000
Chongqing R&F Shangyue Court (Jiangjin Luohuang Project)	100%	Residential	69,633	104,000	104,000
Meishan					
Meishan R&F Cambridge Court (Mindong New District Project)	100%	Residential	176,841	186,000	186,000
Luzhou					
Luzhou R&F Prosperous Palace (Naxi District Project)	100%	Residential	187,582	623,000	623,000
Guiyang					
Guiyang R&F Shangyue Court ("3535" Factory Project)	100%	Residential	76,178	495,000	495,000
Guiyang R&F Xintiandi (Jinyang Plaza Project)	100%	Apartment & Retail	64,379	83,000	83,000
Kaili					
Kaili R&F Dongnan Residence (Jiaruihe Project)	80%	Residential & Apartment	333,696	177,000	141,000
Guilin					
Guilin R&F City	100%	Residential	161,745	535,000	535,000
Kunming					
Kunming R&F Bay Shore (Yangzonghai Project)	100%	Residential	154,494	55,000	55,000
Lijiang					
Lijiang R&F Xintiandi (Old Town Tiandi Project)	100%	Residential & Retail	63,121	45,000	45,000

DEVELOPMENT PROPERTY	The Group's Interest (%)	Use	Approximate Total Site Area (sq.m.)	Approximate Uncompleted Total GFA (sq.m.)	Approximate Uncompleted Total GFA held by Group (sq.m.)
Properties held for sale					
Shanghai					
Shanghai Fengxian District Nanqiao New Town Project (excluding Commercial Center)	100%	Retail & Office	51,879	230,000	230,000
Nanjing					
Nanjing R&F City	100%	Residential, Office & Hotel	571,864	151,000	151,000
Fuyang					
Fuyang Dahe Chengzhang (Yingdong Project) (excluding Hotel)	50%	Residential	267,608	421,000	210,000
Huaibei					
Huaibei R&F Xiangcheng Residence (Donghu Project)	100%	Residential	94,562	9,000	9,000
Suzhou					
Suzhou R&F City	57%	Residential	86,461	13,000	7,000
Huainan					
Huainan R&F City	100%	Residential & Retail	263,884	635,000	635,000
Hangzhou					
Hangzhou R&F Center (Future Science City Project)	100%	Residential, Retail & Hotel	107,516	356,000	356,000
Suzhou					
Suzhou Swan Harbour Park (Taihu New Town Project) (excluding IP portion)	50%	Residential, Office, Apartment & Retail	85,284	163,000	81,000
Wuxi					
Wuxi R&F Yunhe No. 10 (Mingliya Project) (excluding IP portion)	100%	Residential, Retail & Hotel	123,392	15,000	15,000
Nantong					
Nantong R&F Cambridge Court (Tonglv River South Project)	100%	Residential & Retail	190,621	180,000	180,000
Zhenjiang					
Zhenjiang R&F Yangtze River Residence	100%	Residential	35,069	27,000	27,000
Yancheng					
Yancheng R&F Science and Technology Innovation City (excluding IP portion)	100%	Residential & Retail	810,451	1,603,000	1,603,000
Wenzhou					
Wenzhou R&F City (Kaifa District Binghai Garden Project)	100%	Residential & Retail	132,312	109,000	109,000

DEVELOPMENT PROPERTY	The Group's Interest (%)	Use	Approximate Total Site Area (sq.m.)	Approximate Uncompleted Total GFA (sq.m.)	Approximate Uncompleted Total GFA held by Group (sq.m.)
Properties held for sale					
Jinhua					
Jinhua R&F Sanjiang Duhui (Duohu Project)	100%	Residential	74,870	81,000	81,000
Beijing and vicinity					
Beijing Tongzhou R&F Center (No. 8-12 land) (excluding IP portion)	100%	Office & Apartment	69,796	2,000	2,000
Beijing R&F New Town	100%	Residential	932,994	368,000	368,000
Beijing Shokai R&F No. 10 International (Shunyi District Gaoliying Project)	50%	Retail	170,200	154,000	77,000
Beijing R&F Shoukai Campus One (Gaoliying Residential Project)	50%	Residential	96,885	31,000	16,000
Beijing Shunyi Airport Project	100%	Industrial	54,502	44,000	44,000
Tangshan					
Tangshan R&F No. 10 (Gongjianfa Project)	100%	Residential & Retail	22,157	57,000	57,000
Tangshan Caofeidian R&F City	100%	Residential	227,459	135,000	135,000
Tangshan Lutai R&F City	100%	Residential	279,085	279,000	279,000
Tangshan Nanhu CBD Project	50%	Residential, Apartment & Retail	222,593	380,000	190,000
Shijiazhuang					
Shijiazhuang R&F Xibo Water Town (Pingshan Project)	100%	Residential	584,428	553,000	553,000
Shijiazhuang R&F City (Nandou Project)	100%	Residential	94,092	122,000	122,000
Shijiazhuang R&F Plaza (Xiumen Project)	100%	Office & Retail	9,805	198,000	198,000
Xingtai					
Xingtai R&F City (International Ecology Village)	100%	Residential	134,403	345,000	345,000
Cangzhou					
Cangzhou R&F Shangyue Court (Yunhe District Project)	100%	Residential	74,155	127,000	127,000
Tianjin					
Tianjin R&F Guangdong Building (Tanggu Project)	100%	Office & Retail	23,070	291,000	291,000
Tianjin Jinnan New Town	25%	Residential, Retail, Office & Hotel	1,289,227	1,034,000	259,000
Tianjin R&F New Town (Tuanbo Lake Project)	100%	Residential & Retail	1,781,702	1,693,000	1,693,000
Tianjin Jinxi Chentang Project	50%	Residential & Retail	38,090	3,000	2,000
Dongying					
Dongying R&F Boyue Residence (14#)	100%	Residential	74,685	32,000	32,000
Dongying R&F Shangyue Court (Kaifa District Guangzhou Road Project)	50%	Residential	60,453	97,000	49,000

DEVELOPMENT PROPERTY	The Group's Interest (%)	Use	Approximate Total Site Area (sq.m.)	Approximate Uncompleted Total GFA (sq.m.)	Approximate Uncompleted Total GFA held by Group (sq.m.)
Properties held for sale					
Heze					
Heze R&F City (Renminlu Project)	100%	Residential	191,062	298,000	298,000
Zouping					
Zouping R&F City	100%	Residential	93,524	73,000	73,000
Zouping R&F Shengyue Court (Liquan Project)	100%	Residential	41,187	76,000	76,000
Qingdao					
Qingdao Headquarters Base Project	70%	Retail, Office & Hotel	143,739	153,000	107,000
Zibo					
Zibo R&F Wanda Plaza (excluding shopping mall)	100%	Residential & Retail	135,038	98,000	98,000
Dezhou					
Dezhou R&F City (Ningjin County Kangning Lake Project)	100%	Residential	160,367	249,000	249,000
Weihai					
Weihai R&F City	100%	Residential & Retail	183,759	219,000	219,000
Xian					
Xian R&F Global Merchandise City (Xixian New District Project)	80%	Office & Hotel	94,490	159,000	127,000
Xian R&F Kaiyuan City (Tumen Resettlement Project)	100%	Residential	117,095	693,000	693,000
Taiyuan					
Taiyuan R&F City	100%	Residential & Retail	1,056,200	37,000	37,000
Taiyuan R&F Prosperous Palace	100%	Residential & Retail	237,601	397,000	397,000
Taiyuan R&F Hills (Mengshan Project)	100%	Residential & Retail	281,806	246,000	246,000
Taiyuan R&F City Garden No. 8 (Dunhuafang Project)	100%	Residential & Retail	188,744	78,000	78,000
Taiyuan R&F Tianxi City (Daxiao Dongliu Project)	100%	Residential & Retail	512,772	1,331,000	1,331,000
Taiyuan R&F Bay Shore (Xizhai Village Project)	100%	Residential	89,628	113,000	113,000
Taiyuan R&F Golden Jubilee City (Longbao Project)	100%	Residential	197,927	492,000	492,000
Taiyuan R&F Yipin	100%	Residential & Retail	28,455	179,000	179,000
Taiyuan R&F Junyue Residence (Muchangtou Project)	100%	Residential	78,763	336,000	336,000
Taiyuan R&F Yuexi City (Pingban Glass Factory Project)	100%	Residential & Retail	198,352	678,000	678,000
Taiyuan R&F City Jiuyuan (Dunhuafang Renewal Project)	51%	Residential	113,125	618,000	315,000
Datong					
Datong R&F City	100%	Residential & Retail	708,112	1,178,000	1,178,000
Linfen					
Linfen R&F Shangyue Court	100%	Residential, Office & Retail	35,096	94,000	94,000

DEVELOPMENT PROPERTY	The Group's Interest (%)	Use	Approximate Total Site Area (sq.m.)	Approximate Uncompleted Total GFA (sq.m.)	Approximate Uncompleted Total GFA held by Group (sq.m.)
Properties held for sale					
Changzhi					
Changzhi R&F Shangyue Court	100%	Residential	57,547	519,000	519,000
Weinan					
Weinan R&F City	100%	Residential	257,361	449,000	449,000
Baoji					
Baoji Taibai Mountain Project	68%	Residential & Retail	147,229	177,000	120,000
Harbin					
Harbin R&F City	100%	Residential & Retail	399,198	194,000	194,000
Shenyang					
Shenyang R&F Royal Villa	100%	Residential	373,406	28,000	28,000
Shenyang R&F International Finance Center (Shenhe District Project)	100%	Residential, Office & Retail	29,250	372,000	372,000
Shenyang R&F Xingyue Bay Shore (Shenbei New District Project)	100%	Residential	373,092	176,000	176,000
Shenyang R&F Cambridge Court (Outlets Project)	100%	Residential	193,788	180,000	180,000
Shenyang R&F Shengyue Court	100%	Residential	199,198	227,000	227,000
Anshan					
Anshan R&F Kaixuanmen	100%	Residential	37,766	158,000	158,000
Anshan R&F City (Tiedong Yingzi City Project)	100%	Residential	509,692	804,000	804,000
Tieling					
Tieling New Town Center Project	100%	Retail	255,524	457,000	457,000
Tieling R&F Four Seasons Peninsula (Lianhua Lake Project)	100%	Residential	884,185	712,000	712,000
Dalian					
Dalian Dongdi Wanpan (Xiaoyaowan Project)	100%	Residential & Retail	389,308	517,000	517,000
Baotou					
Baotou R&F City	100%	Residential, Office, Apartment & Retail	426,911	160,000	160,000
Baotou R&F Cambridge Court (Donghe Project)	100%	Residential	288,669	187,000	187,000
Baotou R&F Hills (Shiguai District Project)	100%	Residential	193,460	182,000	182,000
Baotou R&F Xiyue Court (Qingshan District Project)	100%	Residential & Retail	41,924	140,000	140,000
Baotou Binhe New District Project	65%	Residential	176,449	381,000	247,000
Huhhot					
Huhhot R&F Tianxi City (Donger Daohe Project)	100%	Residential	56,008	158,000	158,000
Tongliao					
Tongliao R&F City	100%	Residential	593,387	1,070,000	1,070,000

DEVELOPMENT PROPERTY	The Group's Interest (%)	Use	Approximate Total Site Area (sq.m.)	Approximate Uncompleted Total GFA (sq.m.)	Approximate Uncompleted Total GFA held by Group (sq.m.)
Properties held for sale					
Ulanqab					
Ulanqab Jining R&F Bay Shore	100%	Residential	163,744	113,000	113,000
Lanzhou					
Lanzhou Anning CBD (Anning CBD Project)	100%	Residential & Retail	105,141	593,000	593,000
Urumqi					
Urumqi R&F City (Shuimohe Project)	100%	Residential	440,895	1,009,000	1,009,000
Zhengzhou					
Zhengzhou Wulong New Town (Wulongkou Project)	35%	Residential	192,165	495,000	173,000
Zhengzhou R&F Jianye Shangyue Court (Huayuankou Project)	35%	Residential & Retail	106,788	493,000	172,000
Puyang					
Puyang R&F Shangyue Court (Puyang County Project)	100%	Residential	132,797	304,000	304,000
Kaifeng					
Kaifeng R&F Bay Shore (Bianxi Lake Project)	100%	Residential	101,385	213,000	213,000
Malaysia					
Johor Bahru					
Malaysia Johor R&F Princess Bay Shore	100%	Residential, Office & Retail	400,000	2,868,000	2,868,000
Australia					
Melbourne					
Melbourne R&F Kinnears Live City (Footscray Project)	100%	Residential & Retail	33,288	145,000	145,000
United Kingdom					
London					
London R&F Queen Square (Croydon Project)	100%	Residential	22,300	114,000	114,000
Cambodia					
Phnom Penh					
Phnom Penh R&F Prosperous Residence (Monivong Boulevard Project)	100%	Residential	15,192	212,000	212,000
Phnom Penh R&F City (Hongsen Avenue Project)	100%	Residential	77,243	212,000	212,000

Investment Properties under Operation	Location	Description	Approximate total GFA (sq.m.)	Approximate GFA held by the Group (sq.m.)
Guangzhou				
R&F Center	Pearl River New Town J1-4	Office building	164,200	164,200
R&F Haizhu City	R&F Tianyu Center	Shopping mall	54,900	54,900
International Grand City#	Pearl River New Town, Liede Village	Shopping mall	89,300	29,800
Shiling Leather and Leather Products Center	Shiling Avenue, Shiling Town, Huadu District, Guangzhou	Industrial park	104,400	104,400
R&F King's Court	Xiaomei Street, Liwan District, Guangzhou	Office building	9,000	9,000
R&F Children World	Zhongshan Eighth Road, Liwan District, Guangzhou	Retail	19,600	19,600
R&F Modern Plaza – Jiaxin Commercial Center	Gexin Road, Haizhu District, Guangzhou	Retail	34,500	34,500
Foshan				
Foshan R&F International Finance Center	Guicheng Haiwu Road, Nanhai District, Foshan	Office building	97,700	73,300
Hainan				
Hainan R&F Ocean Paradise	Li'an Town, Lingshui Li Autonomous County, Hainan Province	Theme park	181,700	181,700
Beijing				
R&F Center	Beijing R&F City	Office building	48,800	48,800
Viva Beijing R&F Plaza	Beijing R&F City	Shopping mall	100,300	100,300
Tianjin				
R&F Plaza	Tianjin R&F City	Shopping mall	42,000	42,000
Chongqing				
R&F Ocean Plaza (Retail)	R&F Ocean Plaza	Shopping mall	74,300	74,300
Chengdu				
R&F Plaza (Former R&F Tianhui Mall)	Panda City	Shopping mall	249,300	249,300
Zibo				
Zibo R&F Wanda Plaza	Zhongrun Road, Zhongdian District	Shopping mall	150,300	150,300
Taiyuan				
Taiyuan R&F Plaza	Taiyuan R&F City	Shopping mall	49,100	49,100
Harbin				
Harbin R&F Plaza	Youyixi Road, Daoli District, Harbin	Shopping mall	91,000	91,000
Johor Bahru, Malaysia				
R&F Mall Johor Bahru Malaysia	Johor Bahru, Malaysia	Shopping mall	80,900	80,900
R&F Xintiandi Johor Bahru Malaysia	Johor Bahru, Malaysia	Retail	33,200	33,200
Others			196,600	196,600
Total investment projects under operation			**1,871,100**	**1,787,200**

\# Joint Venture Project

Self-build Hotels	Location	No. of Rooms	Approximate total GFA (sq.m.)
Guangzhou			
The Ritz-Carlton, Guangzhou	Pearl River New Town J2-7	351 rooms and 91 serviced apartments	95,400
Grand Hyatt Guangzhou	Pearl River New Town F1-2	368	70,800
Holiday Inn Guangzhou Airport Zone	R&F Jingang City	339	37,800
Park Hyatt Guangzhou	Pearl River New Town J1-1	208	29,600
Conrad Guangzhou*	Pearl River New Town Liede Village	309	53,400
Beijing			
Renaissance Beijing Capital Hotel	Beijing R&F City	522	64,900
Holiday Inn Express Beijing Temple of Heaven	R&F Xinran Court/Plaza	320	16,000
Beijing Marriott Hotel Yanqing*	Xincheng Street, Yanqing District	325	44,100
Element Beijing Yanqing*	Xincheng Street, Yanqing District	252	25,500
Huizhou			
Renaissance Huizhou Hotel	R&F Ligang Center	342	60,200
Hilton Huizhou Longmen Resort	R&F Hot Spring Valley	366	56,400
R&F LN Garden Hot Spring Resort	R&F Hot Spring Valley	32	13,800
Huizhou R&F Huilin Hot Spring Village Project	Huilin Hot Spring Village	220	66,900
Huizhou R&F Bay Shore Project	Huizhou R&F Bay Shore	308	48,700
Chongqing			
Hyatt Regency Chongqing	Jiangbei District	321	53,600
Holiday Inn Chongqing University Town	Chongqing R&F City	360	49,300
Chengdu			
The Ritz-Carlton, Chengdu	Panda City	353	45,600
Hainan			
DoubleTree Resort by Hilton Hainan – Chengmai	R&F Mangrove Bay	305	44,500
Hyatt Regency Hainan Ocean Paradise Resort	Lingshui Li Autonomous County	1,000	104,060
Harbin			
The Ritz-Carlton, Harbin	West Youyi Road, Daoli District	368	66,200
Taiyuan			
Pullman Taiyuan	Taiyuan R&F City	279	43,500
Ningbo			
Hyatt Centric Lakeside Ningbo	Tongyuan Road, Zhenhai District	174	20,300
Total 22 self-build hotels		**7,513**	**1,110,560**

* Joint Venture Project

As of 31 December 2024, the Group currently has 22 self-build hotels.

Executive Directors	Li Sze Lim Zhang Hui Xiang Lijun Zhao Feng
Non-executive Directors	Zhang Lin Li Helen
Independent Non-executive Directors	Zheng Ercheng Ng Yau Wah Daniel Wong Chun Bong
Supervisors	Chen Liangnuan Zhao Xianglin Zhang Yucong
Authorized Representatives	Li Sze Lim Lee Michael
Company Secretary	Lee Michael
Registered Office in the PRC	45-54/F., R&F Center, No. 10 Huaxia Road, Pearl River New Town, Guangzhou 510623 PRC
Principal Place of Business in the PRC	45-54/F., R&F Center, No. 10 Huaxia Road, Pearl River New Town, Guangzhou 510623 PRC
Principal Place of Business in Hong Kong	Room 6303, The Center, No. 99 Queen's Road Central, Hong Kong
Auditor	BDO Limited Certified Public Accountants Registered Public Interest Entity Auditors 25th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong
Legal Advisor as to Hong Kong Law	Sidley Austin 39/F., Two International Finance Centre, 8 Finance Street, Central, Hong Kong
Hong Kong H Share Registrar	Computershare Hong Kong Investor Services Limited 17M/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
Website	www.rfchina.com

SHAREHOLDERS' INFORMATION

SHAREHOLDERS' CALENDAR

Interim results announcement	28 August 2024
Final results announcement	28 March 2025
Closure of register of members (for the entitlement of attending the annual general meeting)	26 May 2025 to 30 May 2025 (both days inclusive)
Annual general meeting	30 May 2025

LISTING INFORMATION

The Company's H shares were listed on The Stock Exchange of Hong Kong Limited on 14 July 2005.

Stock Code

Hong Kong Stock Exchange	2777
Reuters	2777.HK
Bloomberg	2777HK

Board Lot Size	400 shares

廣州富力地產股份有限公司
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* for identification purpose only