Radiance Holdings (Group) Company Limited
金輝控股(集團)有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 9993)

(1) ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023; AND (2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

RESULTS HIGHLIGHTS

- Revenue was approximately RMB34,250,000,000. Gross profit was approximately RMB2,530,000,000.

- As at 31 December 2023, total interest-bearing debts was RMB29,430,000,000, representing a decrease of RMB8,390,000,000 as compared to that of RMB37,820,000,000 for the year ended 31 December 2022.

- Weighted average cost of indebtedness was 5.99%, representing a decrease 0.23 percentage point as compared with the corresponding period in 2022.

(1) ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

The board (the "**Board**") of directors (the "**Directors**") of Radiance Holdings (Group) Company Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the "**Group**", "**we**", "**our**" or "**us**") for the year ended 31 December 2023 with comparative figures for the preceding financial year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2023

	Notes	**2023** *RMB'000*	2022 *RMB'000*
REVENUE	*3*	**34,248,685**	35,318,003
Cost of sales		**(31,719,977)**	(30,138,519)
Gross profit		**2,528,708**	5,179,484
Other income and gains	*3*	**23,105**	60,041
Selling and distribution expenses		**(1,030,479)**	(931,729)
Administrative expenses		**(686,337)**	(853,707)
Finance income		**51,611**	91,290
Finance costs	*4*	**(295,840)**	(236,100)
Other expenses		**(152,134)**	(191,638)
Fair value gains on investment properties		**359,762**	844,574
Fair value losses on financial assets at fair value through profit or loss		**(1,418)**	(14,168)
Share of profits and losses of:			
Joint ventures		**(99,360)**	(732,632)
Associates		**139**	491,020
PROFIT BEFORE TAX	*5*	**697,757**	3,706,435
Income tax expense	*6*	**(1,131,700)**	(1,623,285)
(LOSS)/PROFIT FOR THE YEAR		**(433,943)**	2,083,150

	Notes	**2023** *RMB'000*	2022 *RMB'000*
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**–**	–
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		**(433,943)**	2,083,150
Attributable to:			
Owners of the parent		**(581,248)**	1,705,026
Non-controlling interests		**147,305**	378,124
		(433,943)	2,083,150
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (loss)/earnings per share	*8*	**RMB(0.14) yuan**	RMB0.42 yuan

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	**2023**	2022
		RMB'000	*RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**884,656**	519,023
Right-of-use assets		**729,667**	744,232
Investment properties		**16,845,700**	16,330,200
Intangible assets		**21,697**	24,199
Investments in joint ventures		**2,581,944**	2,421,726
Investments in associates		**5,705,529**	5,688,636
Financial assets at fair value through profit or loss		**84,405**	105,020
Deferred tax assets		**2,286,927**	2,650,754
Other non-current assets		**1,402,644**	1,402,644
Total non-current assets		**30,543,169**	29,886,434
CURRENT ASSETS			
Properties under development		**62,580,103**	88,551,479
Completed properties held for sale		**15,408,278**	12,472,551
Trade receivables	*9*	**39,458**	50,510
Contract cost assets		**899,672**	1,205,954
Due from related parties		**4,100,131**	6,621,121
Prepayments, other receivables and other assets		**8,028,479**	9,395,145
Tax recoverable		**1,082,370**	1,168,535
Financial assets at fair value through profit or loss		**23,408**	4,294
Cash and bank balances		**7,072,920**	12,319,530
Total current assets		**99,234,819**	131,789,119
CURRENT LIABILITIES			
Trade payables	*10*	**11,053,574**	13,106,078
Other payables and accruals		**2,676,974**	2,592,136
Contract liabilities		**37,659,856**	59,397,834
Due to related parties		**4,928,152**	5,437,467
Tax payable		**5,739,088**	5,270,090
Interest-bearing bank and other borrowings		**11,734,403**	10,937,353
Proceeds from asset-backed securities		**47,606**	70,696
Senior notes		**2,142,841**	440,607
Corporate bonds		**15,707**	667,743
Lease liabilities within one year		**3,354**	10,747
Total current liabilities		**76,001,555**	97,930,751
NET CURRENT ASSETS		**23,233,264**	33,858,368
TOTAL ASSETS LESS CURRENT LIABILITIES		**53,776,433**	63,744,802

	Notes	**2023** *RMB'000*	2022 *RMB'000*
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**11,036,720**	15,607,467
Proceeds from asset-backed securities		**1,672,856**	5,218,481
Senior notes		**–**	2,075,827
Corporate bonds		**2,778,304**	2,797,578
Lease liabilities		**2,497**	3,343
Deferred tax liabilities		**2,336,955**	2,459,068
Total non-current liabilities		**17,827,332**	28,161,764
Net assets		**35,949,101**	35,583,038
EQUITY			
Equity attributable to owners of the parent			
Share capital		**35,095**	35,095
Reserves		**23,917,824**	24,499,072
		23,952,919	24,534,167
Non-controlling interests		**11,996,182**	11,048,871
Total equity		**35,949,101**	35,583,038

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") (which include all standards and interpretations, International Accounting Standards ("**IASs**") and Standing Interpretations Committee interpretations) approved by the International Accounting Standards Board (the "**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and financial assets at fair value through profit or loss which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2023. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

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

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

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

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

Going concern basis

The Group recorded a net loss of RMB433,943,000 for the year ended 31 December 2023. As at 31 December 2023, the Group had cash and bank balances (including restricted cash) of RMB7,072,920,000, short term borrowings of RMB13,940,557,000 including Interest-bearing bank and other borrowings, proceeds from asset-backed securities, senior notes and corporate bonds. As stipulated in the announcement dated 20 March 2024, the Company did not repay a principal of US$300,000,000 for certain senior notes due in March 2024. There is a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

The Group is using its best endeavors to resolve and strives to maintain close communications with the noteholders, seeking out the optimal solution to ensure that the interests of all stakeholders are safeguarded. In view of these circumstances and the current economic environment, the directors of the Company have given consideration to the future liquidity of the Group and its available sources of financing including credit facilities in assessing whether the Group will have sufficient financial resources to continue as a going concern. The directors of the Company also have implemented various measures to ensure the Group maintains adequate working capital, including:

(i) accelerating the pre-sale of properties and speeding up the collection of sales proceeds;

(ii) closely monitoring the process of construction of its property development projects to ensure that construction and related payments are fulfilled and the relevant properties sold under pre-sale arrangement are completed and delivered to the customers on schedule, such that the Group is able to release restricted pre-sale proceeds as planned;

(iii) seeking continuously for re-financing of existing borrowings as well as new debt financing and bank borrowings at costs acceptable to the Group to finance the settlement of its existing financial obligations and future operating and capital expenditures; maintaining close communications with the noteholders, seeking out the optimal solution to ensure that the interests of all stakeholders are safeguarded; and

(iv) not committing on significant capital expenditures and land acquisitions before securing the necessary funding.

Taking into account (i) the Group's net current assets position of RMB23,233,264,000; (ii) the cash flow projection including the Group's ability to obtain new financing and to renew or refinance the existing credit facilities before maturity; (iii) the availability of unpledged assets that are immediately available for sales, the directors of the Company consider that the Group has sufficient working capital to meet in full its financial obligations as they fall due for at least the next twelve months from the end of the reporting period. Accordingly, these consolidated financial statements have been prepared on the going concern basis which assumes, inter alia, the realisation of assets and satisfaction of liabilities in the normal course of business.

Notwithstanding the above, significant uncertainties exist as to whether the Group is able to achieve its plans and measures as described above.

Should the going concern assumption be inappropriate, adjustments may have to be made to write down the values of assets to their recoverable amounts, to provide for any further liabilities that might 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.

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

IFRS 17	*Insurance Contracts*
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to IAS 8	*Definition of Accounting Estimates*
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform-Pillar Two Model Rules

The nature and the impact of the revised IFRSs that are applicable to the Group are described below:

(a) Amendments to IAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. Amendments to IFRS Practice Statement 2 provide Making Materiality Judgements provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has disclosed the material accounting policy information in note 2 to the financial statements. The amendments did not have any impact on the measurement, recognition or presentation of any items in the Group's financial statements.

(b) Amendments to IAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. Since the Group's approach and policy align with the amendments, the amendments had no impact on the Group's financial statements.

(c) Amendments to IAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in IAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions.

The Group has applied the amendments on temporary differences related to leases as at 1 January 2022. Upon initial application of these amendments, the Group recognised (i) a deferred tax asset for all deductible temporary differences associated with lease liabilities (provided that sufficient taxable profit is available), and (ii) a deferred tax liability for all taxable temporary differences associated with right-of-use assets at 1 January 2022, with cumulative effect recognised as an adjustment to the balances of retained profits and non-controlling interests at that date. The amendments did not have any significant impact on the Group's financial statements.

d) Amendments to IAS 12 *International Tax Reform – Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Group.

2. OPERATING SEGMENT INFORMATION

Management monitors the operating results of the Group's business which includes property development, property leasing, and the provision of management consulting services. Property leasing and the provision of management consulting services are not significant in revenue contribution. Thus, property development is the only reportable operating segment of the Group, and no further operating segment analysis thereof is presented.

Geographical information

No geographical information is presented as the Group's revenue from the external customers is derived solely from its operation in Mainland China and no non-current assets of the Group are located outside Mainland China.

Information about major customers

No revenue from sales to a single customer or a group of customers under common control accounted for 10% or more of the Group's revenue at the end of the reporting period.

3. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2023	2022
	RMB'000	*RMB'000*
Revenue from contracts with customers	**33,831,807**	34,927,593
Revenue from other sources		
Property lease income	**416,878**	390,410
	34,248,685	35,318,003

	2023	2022
	RMB'000	*RMB'000*
Revenue from contracts with customers		
(a) Disaggregated revenue information		
Types of goods or services:		
Sale of properties	**33,814,274**	34,906,704
Management consulting services	**17,533**	20,889
Total revenue from contracts with customers	**33,831,807**	34,927,593
Timing of revenue recognition:		
Properties transferred at a point in time	**33,814,274**	34,906,704
Services transferred over time	**17,533**	20,889
Total revenue from contracts with customers	**33,831,807**	34,927,593

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of properties	**28,004,625**	30,420,969

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of properties

The performance obligation is satisfied upon delivery of the properties and the Group has already received the payment or has the right to receive the payment probably.

Management consulting services

For management consulting 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. The Group has elected the practical expedient not to disclose the remaining performance obligations for these types of contracts. The majority of the management consulting service contracts do not have a fixed term. The term of the contracts for pre-delivery and consulting services is generally set to expire when the counterparties notify the Group that the services are no longer required.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	2023	2022
	RMB'000	*RMB'000*
Amounts expected to be recognised as revenue:		
Within one year	**29,985,130**	35,725,545
After one year	**4,092,005**	18,551,031
	34,077,135	54,276,576

An analysis of other income and gains is as follows:

	2023	2022
	RMB'000	*RMB'000*
Other income and gains		
Gain on disposal of an associate	**–**	28,616
Subsidy income	**5,152**	7,311
Deposit forfeiture	**9,240**	19,017
Investment income from financial assets at fair value through profit or loss	**108**	234
Gain on disposal of items of property, plant and equipment	**2,552**	29
Others	**6,053**	4,834
	23,105	60,041

4. FINANCE COSTS

An analysis of finance costs is as follows:

	2023	2022
	RMB'000	*RMB'000*
Interest on loans and borrowings	**1,997,329**	2,754,540
Interest expense arising from revenue contracts	**506,474**	230,883
Interest on lease liabilities	**687**	1,297
Total interest expense on financial liabilities not at fair value through profit or loss	**2,504,490**	2,986,720
Less: Interest capitalised	**(2,208,650)**	(2,750,620)
	295,840	236,100

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2023	2022
	RMB'000	*RMB'000*
Cost of inventories sold (excluding impairment losses recognised for properties under development and properties held for sale)	**30,708,935**	29,777,817
Cost of services provided	**12,273**	15,104
Impairment losses recognised for properties under development	**646,628**	111,632
Impairment losses recognised for properties held for sale	**352,141**	233,966
Impairment of financial assets	**26,793**	19,646
Depreciation of items of property, plant and equipment	**21,993**	28,406
Amortisation of intangible assets	**4,472**	3,645
Depreciation of right-of-use assets	**38,839**	46,921
Rental expenses	**4,492**	4,969
Auditors' remuneration	**10,245**	9,353
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages and salaries	**278,172**	375,672
Pension scheme contributions and social welfare	**47,385**	59,385

6. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands, the Group's subsidiaries incorporated in the Cayman Islands and British Virgin Islands are not subject to any income tax. The Group's subsidiaries incorporated in Hong Kong were not liable for income tax as they did not have any assessable profits currently arising in Hong Kong for the year ended 31 December 2023.

Subsidiaries of the Group operating in Mainland China were subject to PRC corporate income tax ("**CIT**") with a tax rate of 25% for the year except for the following subsidiary:

Company name	Corporate income tax rate
Chongqing Jinhui Changjiang Properties Co., Ltd. ("**Chongqing Jinhui Changjiang**") *	15%

* *According to the Announcement on Further Implementation of Corporate Income Tax Policy for the development of the Western Regions (2012 No.12) issued by the State Taxation Administration and the extension of the Corporate Income Tax Policy for the development of the Western Regions (2020 No.23) jointly issued by the Ministry of Finance, State Taxation Administration and National Development and Reform Commission, Chongqing Jinhui Changjiang, subsidiaries of the Group, is qualified to enjoy the preferential tax policy of western regions enterprise income tax of 15% from 2011 to 2030.*

PRC land appreciation tax ("**LAT**") is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including land costs, borrowing costs and other property development expenditures. The Group has estimated, made and included in taxation a provision for LAT according to the requirements set forth in the relevant Mainland China tax laws and regulations. The LAT provision is subject to the final review and approval by the local tax bureau.

	2023	2022
	RMB'000	*RMB'000*
Current tax:		
Corporate income tax	**581,365**	1,185,375
LAT	**308,621**	305,933
Deferred tax	**241,714**	131,977
Total tax charge for the year	**1,131,700**	1,623,285

Tax payable in the consolidated statement of financial position represents:

	2023	2022
	RMB'000	*RMB'000*
Tax payables:		
Corporate income tax	**1,665,418**	1,162,538
LAT	**4,073,670**	4,107,552
Total tax payable	**5,739,088**	5,270,090

7. DIVIDENDS

No dividends have been proposed by the directors for the year ended 31 December 2023.

8. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 4,045,227,000 (2022: 4,045,227,000) in issue during the year.

The weighted average number of ordinary shares used to calculate the basic earnings per share amounts for the years ended 31 December 2023 and 2022 was based on 1 share of the Company as at 17 October 2019, 1 share of the Company issued on 6 March 2020, and 3,399,999,998 ordinary shares of the Company issued under the capitalisation issue occurred on 29 October 2020, as if these additional shares issued under the capitalisation issue had been in issue throughout the years ended 31 December 2023 and 2022. On 29 October 2020, the Company issued 600,000,000 new ordinary shares. On 25 November 2020, the over-allotment option has been partially exercised and the Company allotted and issued 45,227,000 additional shares.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2023 and 2022 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2023 and 2022.

The calculations of the basic and diluted earnings per share amounts are based on:

	2023	2022
	RMB'000	*RMB'000*
(Loss)/Earnings		
Loss/(profit) attributable to ordinary equity holders of the parent	**(581,248)**	1,705,026

	Number of shares	
	2023	2022
Shares		
Weighted average number of ordinary shares in issue during the year	**4,045,227,000**	4,045,227,000
(Loss)/Earnings per share		
Basic and diluted	**RMB(0.14) yuan**	RMB0.42 yuan

9. TRADE RECEIVABLES

	2023	2022
	RMB'000	*RMB'000*
Trade receivables	**41,682**	51,530
Impairment	**(2,224)**	(1,020)
	39,458	50,510

The Group's trade receivables primarily consist of receivables from its property sales and property lease. Proceeds from property sales and property lease are generally received in accordance with the terms stipulated in the sale and purchase agreements. Trade receivables are settled based on the progress payment schedule stipulated in the contract. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2023	2022
	RMB'000	*RMB'000*
Within 1 year	**39,042**	31,132
1 to 3 years	**416**	18,944
Over 3 years	**–**	434
	39,458	50,510

The movements in the loss allowance for impairment of trade receivables are as follows:

	2023	2022
	RMB'000	*RMB'000*
At the beginning of the year	**1,020**	1,253
Impairment losses	**1,204**	(233)
At the end of the year	**2,224**	1,020

An impairment analysis is performed at the end of each reporting period using a provision matrix to measure expected credit losses. The provision rates are based on ageing for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2023:

	Ageing			
	Less than 1 year	**1 to 3 years**	**Over 3 years**	**Total**
Expected credit loss rate	**2.7%**	**10.3%**	**100.0%**	**5.3%**
Gross carrying amount	**40,143**	**464**	**1,075**	**41,682**
Expected credit losses	**1,101**	**48**	**1,075**	**2,224**

As at 31 December 2022:

	Ageing			
	Less than 1 year	1 to 3 years	Over 3 years	Total
Expected credit loss rate	0.9%	3.2%	19.9%	2.0%
Gross carrying amount	31,416	19,572	542	51,530
Expected credit losses	284	628	108	1,020

10. TRADE PAYABLES

An ageing analysis of the Group's trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2023	2022
	RMB'000	*RMB'000*
Within 1 year	**10,390,127**	12,445,774
Over 1 year	**663,447**	660,304
	11,053,574	13,106,078

There were no trade payables as at 31 December 2023 (31 December 2022: Nil) due to suppliers that have signed up to a supply chain financing programme.

Trade payables are unsecured and are normally settled based on the progress of construction.

The fair values of trade payables as at the end of the reporting period approximated to their corresponding carrying amounts due to their relatively short maturity terms.

CHAIRMAN’S STATEMENT

Dear Shareholders,

I am pleased to present to all shareholders of the Company (the “**Shareholders**”) the annual results and business review for the year ended 31 December 2023 as well as the prospects for 2024 of the Company.

Annual Results

For the year ended 31 December 2023, the Group's revenue was RMB34,248.7 million, representing a year-on-year decrease of 3.0% as compared to the corresponding period of last year. Gross profit for the year ended 31 December 2023 amounted to RMB2,528.7 million, representing a year-on-year decrease of approximately 51.2% as compared to 2022. Loss attributable to the owners of the Company for the year ended 31 December 2023 was RMB581.2 million.

Market and Policy Review

In 2023, the real estate market in China showed a year-on-year downward trend in terms of investment and sales. During the year ended 31 December 2023, the investment in real estate development across China was RMB1.11 billion, representing a year-on-year decrease of 9.6%, of which the investment in residential properties was RMB840 million, representing a year-on-year decrease of 9.3%. The floor area sold of commodity properties nationwide was 1.12 billion square meters (“**sq.m.**”), representing a year-on-year decrease of 8.5%, of which the floor area sold of residential properties decreased by 8.2% year-on-year. The sales of commodity properties nationwide were RMB11.7 trillion, down by 6.5% year-on-year, of which the sales of residential properties fell 6.0% year-on-year.

With the current market environment, in order to cope with changes in supply and demand, the central government of the PRC continued to relax its control policies on the real estate market. Second-and third-tier cities and below gradually moved towards a full lifting of purchase restriction policies while first-tier cities also partially relaxed their corresponding policies. Meanwhile, mortgage policies were also adjusted to support people’s’ reasonable needs for self-occupancy and reduce home purchase costs, including lowering mortgage interest rates and increasing loan limits of the provident fund.

In 2023, the central government of the PRC proposed the "Three Major Projects" for the first time, making important arrangements for affordable housing, urban village renovation and infrastructure construction. This policy trend not only emphasized the essential position of the real estate market in the national economy but also increased the capital investment by diverting social capital into the sector, thereby forming a diversified investment pattern.

In general, in the face of the prevailing real estate market, the central government adopted active and effective response measures, which not only stabilized market expectations but also promoted the transformation and upgrading of the market. The implementation of these measures provided a strong guarantee for the stable and healthy development of the real estate market.

Committed to Building Perfect Home for Satisfactory Delivery

In 2023, the Company completed the delivery of more than 40,000 units in 72 batches in 27 cities across the country, bringing owners the long-awaited new homes. Since the establishment of the delivery mechanism featuring the "Standardization System for Assessing the Home", the Company's stringent standards have been implemented throughout the entire process of project sales-construction-delivery and deeply planted in the development cycle of homes, serving as the most essential guideline for project execution, quality control and service capabilities. All these aimed at creating beautiful future homes that can be "standardised and assessed" by customers.

Forge Ahead by Overcoming Difficulties

Given the current market environment, the Group pursued a strategy of steady progress by strictly adhering to its financial discipline, maintaining reasonable liquidity, lowering leverage levels and optimizing the capital structure. As of 31 December 2023, the Group's outstanding debts was RMB29,428.4 million, representing a decrease of 22.2% from RMB37,815.8 million as of 31 December 2022. During the year ended 31 December 2023, the weighted average cost of debts of the Group was 5.99%, slightly lower than that of 6.22% for the year ended 31 December 2022.

Prospects for 2024

Looking forward to the development of the real estate market in 2024, in terms of financial policies, given the implementation of the white list system and the introduction of the "three no less than" assessment indicators, it reflects the central bank and major banks' positive attitude of strengthening the financial support for the real estate market, which will help Increase market liquidity, reduce financing costs for real estate companies and stimulate demand from individual home buyers. In terms of regulatory policies, first-tier cities and second-tier cities with promising potential still have certain room for optimization, namely household registration policies and life spans of social security.

However, it should be noted that although the policy environment is conducive to the stable development of the real estate market in general, certain challenges and risks are still threatening the market. The Group will continue to maintain a steady development strategy, take "guaranteed delivery" as its bottom line, fulfill its corporate responsibilities, achieve high-quality development and provide a better living environment for home buyers.

All in all, as the policy signal for the real estate sector turns more positive, we believe that the sector is expected to become stabilized gradually, thus realizing its role as a key industry capable of stabilizing the momentum for investment growth and ushering in promising prospects for business development in the future.

Appreciation

On behalf of members of the Board, I would like to express the most sincere appreciation to all the Shareholders, investors, business partners and customers of the Group for their supports to, and trust in, the Company, and all members of the management team and all employees for their dedication and hard work in the preceding year. In the future, the Group will continue to maintain a stable, balanced and high-quality corporate development prospects, and adhere to the philosophy of "Building Properties with Craftsmanship and Make Better Homes" to facilitate urban development, help people live a better life, bring better products and services to the industry and users and create higher value for shareholders and investors.

Lam Ting Keung
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

Performance Highlights

	As of 31 December	
	2023	2022
Highlights of financial information		
Recognised revenue *(RMB'000)*	**34,248,685**	35,318,003
Gross profit *(RMB'000)*	**2,528,708**	5,179,484
(Loss)/profit attributable to the owners of the Company	**(581,248)**	1,705,026
Gross profit margin *(%)*	**7.38%**	14.70%
Net profit margin *(%)*	**-1.27%**	5.90%
(Loss)/earnings per Share (basic and diluted) *(RMB cents)*	**(14)**	42
Total assets *(RMB'000)*	**129,777,988**	161,675,553
Total indebtedness *(RMB'000)* (1)	**29,428,437**	37,815,752
Net indebtedness *(RMB'000)* (2)	**22,355,517**	25,496,222
Equity attributable to owners of the parent company *(RMB'000)*	**23,952,919**	24,534,167
Current ratio *(times)* (3)	**1.3**	1.3
Weighted average cost of indebtedness *(%)* (4)	**5.99%**	6.22%
Net gearing ratio *(%)* (5)	**62.19%**	71.70%
Liability asset ratio after excluding receipts in advance *(%)* (6)	**60.98%**	65.20%

Notes:

1. Total indebtedness represents total interest-bearing bank and other borrowings, proceeds from asset-backed securities, corporate banks and senior notes.

2. Net indebtedness is calculated by total borrowings (including current and long-term interest-bearing bank and other borrowings, current and long-term proceeds from asset-backed securities, current and long-term senior notes as well as current and long-term corporate bonds) minus cash and bank balances (including restricted cash, pledged deposits as well as cash and cash equivalents).

3. Current ratio is calculated based on total current assets divided by total current liabilities as of the respective dates.

4. Weighted average cost of indebtedness represents the weighted average of interest costs of all outstanding indebtedness.

5. Net gearing ratio is calculated by dividing total borrowings (including current and long-term interest-bearing bank and other borrowings, current and long-term proceeds from asset-backed securities, current and long-term senior notes as well as current and long-term corporate bonds) minus cash and bank balances (including restricted cash, pledged deposits as well as cash and cash equivalents) by total equity.

6. Liability asset ratio after excluding receipts in advance is calculated by dividing total liabilities minus contract liabilities by total assets minus contract liabilities.

Property development and sales

We focus on suitable locations in selected cities in eight major regions of Yangtze River Delta, the Bohai Economic Rim, Southeastern China, Eastern China, Central China, Southwestern China, Northwestern China and Shenzhen/Huizhou. The table below sets forth our revenue generated from each region, total gross floor area ("**GFA**") delivered in each region and the respective recognised average selling price ("**ASP**") per square meter for each region for the periods indicated:

	Year ended 31 December							
	2023				2022			
	Revenue		**GFA Delivered**	**Recognised ASP**	Revenue		GFA Delivered	Recognised ASP
	RMB'000	***%***	***sq.m.***	***RMB/sq.m.***	*RMB'000*	*%*	*sq.m.*	*RMB/sq.m*
Yangtze River Delta	**9,094,232**	**26.9**	**481,558**	**18,885**	8,408,202	24.1	439,914	19,113
Northwestern China	**5,767,467**	**17.0**	**368,772**	**15,640**	5,560,144	15.9	361,056	15,400
Southwestern China	**2,059,481**	**6.1**	**200,496**	**10,272**	4,266,348	12.3	296,578	14,385
Southeastern China	**3,052,760**	**9.0**	**271,310**	**11,252**	4,163,374	11.9	363,311	11,460
Central China	**1,667,332**	**4.9**	**185,006**	**9,012**	3,892,016	11.1	383,073	10,160
Eastern China	**6,477,204**	**19.2**	**632,905**	**10,234**	3,522,967	10.1	354,541	9,937
Bohai Economic Rim	**5,124,246**	**15.2**	**472,789**	**10,838**	3,022,301	8.7	267,190	11,311
Shenzhen/Huizhou	**571,552**	**1.7**	**45,212**	**12,642**	2,071,352	5.9	120,241	17,227
Total	**33,814,274**	**100**	**2,658,048**	**12,721**	34,906,704	100	2,585,904	13,499

Investment Properties

As at 31 December 2023, the Group had 27 investment properties with a total GFA of approximately 1,361,422 sq.m., and one investment property held for future development with a total GFA of 69,530 sq.m.

Projects under Construction

As at 31 December 2023, the total planned GFA of the Group's projects under construction was 12,141,245 sq.m., representing a decrease of approximately 24.6% compared to the total planned GFA of 16,104,002 sq.m. as at 31 December 2022.

Land Bank

As of 31 December 2023, the Group's land bank GFA and total land bank GFA attributable to the Group were approximately 21,618,967 sq.m. and 17,386,668 sq.m., respectively.

The table below sets forth the breakdown of the total land bank of the subsidiaries, joint ventures and associate companies of the Group as at 31 December 2023:

Region	**Area of Land Bank**	**Area of Attributable Land Bank**
Land Bank of the Group and its subsidiaries	*Sq. m*	*Sq. m*
Chongqing Company	1,049,453	841,430
Wuhuan Company	3,028,643	2,340,108
Beijing Company	1,285,944	1,214,752
Shanghai Company	5,441,158	4,771,085
Xi'an Company	4,935,284	4,737,873
Fujian Company	3,119,803	2,410,389
Subtotal of land bank of the Group and its subsidiaries	18,860,285	16,315,637
Land bank of the Group's joint ventures and associates		
Chongqing Company	151,901	58,742
Wuhuan Company	70,853	27,072
Beijing Company	770,691	250,942
Shanghai Company	1,448,008	578,334
Xi'an Company	47,890	33,366
Fujian Company	269,339	122,576
Subtotal of land bank of the Group's joint ventures and associates	2,758,682	1,071,031
Total	21,618,967	17,386,668

Note:

The GFA of the Group's land bank includes (i) GFA available for sale and total rentable GFA of completed projects; (ii) total GFA for properties under development; and (iii) total GFA for properties held for future development. In respect of the non-wholly owned projects, the GFA will be adjusted according to the equity interests of the Group in relevant projects.

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2023, the revenue of the Group was approximately RMB34,248.7 million, representing a decrease of 3.0% as compared to RMB35,318.0 million of the corresponding period last year. Our revenue mainly derived from the development and sales of the Group's residential properties and commercial properties, we also derived revenue from leasing of commercial properties, and provision of management consulting services for the overall operation of property projects to our joint ventures and associates.

The table below sets forth the information related to our revenue for the periods indicated:

	Year ended 31 December			
	2023		2022	
	RMB'000	*%*	*RMB'000*	*%*
Property development and sales	**33,814,274**	**98.7**	34,906,704	98.8
Residential	**33,098,817**	**96.6**	33,746,782	95.6
Commercial	**715,457**	**2.1**	1,159,922	3.2
Property leasing	**416,878**	**1.2**	390,410	1.1
Management consulting services	**17,533**	**0.1**	20,889	0.1
Total	**34,248,685**	**100**	35,318,003	100

Revenue from Property Development and Sales

As of 31 December 2023, the revenue from property development and sales was approximately RMB33,814.3 million, representing a decrease of 3.1% as compared to approximately RMB34,906.7 million of the corresponding period last year. The decrease in the Group's revenue from property development and sales was primarily attributable to a decrease in the total GFA delivered by the Group during the year ended 31 December 2023.

Rental Income

Revenue from property leasing consists of recurring rental revenue from leasing our commercial properties, such as office buildings, shopping malls and shopping streets. Our rental income increased by approximately 6.8% to RMB416.9 million for the year ended 31 December 2023 from RMB390.4 million for the year ended 31 December 2022.

Management Consulting Services

The Group provides management consulting services to its joint ventures and associates, such services mainly include management consultation services provided to these entities in connection with the construction, sales and marketing of properties, and overall project management during the development and sales of properties. Our revenue from management consulting services decreased by approximately 16.3% to RMB17.5 million for the year ended 31 December 2023 from RMB20.9 million for the year ended 31 December 2022, which was mainly due the decrease in scale of projects developed by our joint ventures and associates to which we provided management consulting services.

Cost of Sales

Cost of property development and sales mainly consists of construction costs, land acquisition costs and capitalized interest. During the year ended 31 December 2023, our cost of sales amounted to approximately RMB31,720.0 million, representing an increase of 5.2% as compared to that of RMB30,138.5 million for the year ended 31 December 2022, which was mainly due to increase in the Group's provision for impairment of inventories during the year ended 31 December 2023, resulting in an increase in cost of sales.

Gross Profit and Gross Profit Margin

The Group's gross profit decreased to RMB2,528.7 million for the year ended 31 December 2023 from RMB5,179.5 million for the year ended 31 December 2022.

The Group's gross profit margin decreased to 7.4% for the year ended 31 December 2023 from 14.7% for the year ended 31 December 2022.

Finance Income

The Group's finance income primarily consists of interest income from bank deposits, interest income from funds the Group advanced to our joint ventures and associates and interest received from third parties. For the year ended 31 December 2023, the Group's finance cost was approximately RMB51.6 million, representing a decrease of approximately 43.5% as compared to RMB91.3 million for the year ended 31 December 2022, which was mainly due to the decrease in average bank deposits of the Group during the year ended 31 December 2023.

Other Income and Gains

The Group's other income and gains decreased to RMB23.1 million for the year ended 31 December 2023 from RMB60.0 million for the year ended 31 December 2022, which was mainly due to the absence of one-off gain on disposal of associate in the corresponding period in 2023.

Selling and Distribution Expenses

The Group's selling and distribution expenses mainly consist of (i) promotion and advertising expenses, which primarily represent costs incurred in connection with advertisement in media and promotional events; (ii) employee benefit expenses, which primarily represent salaries paid to our Group's selling and marketing personnel; (iii) office and property management expenses, which primarily represent the expenses incurred in daily operation and management of the Group's sales offices; (iv) sales expenses, which primarily represent commissions paid to third-party sales agencies; (v) depreciation and amortization, which primarily represent the depreciation and amortization of equipment and devices used by the Group's selling and marketing personnel; (vi) travelling and entertainment expenses; and (vii) after-sales service expenses, which primarily represent expenses incurred during the provision of our Group's after-sales services to our customers.

The Group's selling and distribution expenses increased by approximately 10.6% to RMB1,030.5 million for the year ended 31 December 2023 from RMB931.7 million for the year ended 31 December 2022, which was mainly due to the carry-forward of projects pre-sold in 2023 in the current period, and the contract assets carried forward as sales agency fees in accordance with the carry-forward ratio of projects increased during the year ended 31 December 2023 as compared with the corresponding period of last year.

Administrative Expenses

Our administrative expenses mainly consist of (i) employee benefit expenses, which primarily represent salaries paid to our Group's administrative personnel; (ii) tax and surcharges, which primarily represent stamp duties in relation to sales contracts the Group entered into and property tax in relation to properties our Groups leased; (iii) depreciation and amortization, which primarily represent the depreciation and amortization of the Group's offices and office equipment; (iv) office expenses, which primarily represent the expenses incurred by our Group's administrative personnel in the daily operations of our Group's offices; (v) professional consulting expenses, which primarily represent the expenses for the consulting services the Group engaged in order to increase our operational efficiency; (vi) bank service charges, which primarily represent the expenses for miscellaneous bank services; (vii) travelling and entertainment expenses; and (viii) service expenditures.

The Group's administrative expenses decreased by approximately 19.6% to RMB686.3 million for the year ended 31 December 2023 from RMB853.7 million for the year ended 31 December 2022, which was primarily attributable to the decrease in staff salaries and office expenses.

Finance Cost

Our finance costs mainly consist of (i) interest on bank and other borrowings, corporate bonds, asset-backed securities, senior notes and lease liabilities; and (ii) interest expense arising from revenue contracts, which represents interest expenses recognised for the significant financing components included in contract liabilities during the period from the receipt of sales proceeds to the delivery of the underlying properties, less capitalized interest directly relating to properties under development.

The Group's finance cost increased by approximately 25.3% to RMB295.8 million for the year ended 31 December 2023 from RMB236.1 million for the year ended 31 December 2022, which was primarily attributable to the increase in the expensed project interest expenses of the Group in 2023.

The Group's weighted average cost of debt as at 31 December 2023 was approximately 5.99% (31 December 2022: 6.22%).

Other Expenses

The Group's other expenses decreased by approximately 20.6% to RMB152.1 million for the year ended 31 December 2023 from RMB191.6 million for the year ended 31 December 2022, which was Mainly due to the decrease in exchange loss as a result of the decrease of Renminbi depreciation as compared with the previous year.

Fair Value Gains on Investment Properties

Fair value gains on investment properties represent the changes in the fair value of our investment properties. For the year ended 31 December 2023, the Group recorded fair value gains on investment properties of RMB359.8 million, representing a decrease of 57.4% compared to that of RMB844.6 million for the year ended 31 December 2022. Such decrease was mainly due to the higher appreciation of new property in 2022.

Share of Profits and losses of Joint Ventures

For the year ended 31 December 2023, the Group recorded share of losses of joint ventures of RMB99.4 million, while we recorded share of profits of joint ventures of RMB732.6 million for the year ended 31 December 2022. Such change was mainly attributable to the provision for impairment losses of the property projects held by the Group's joint ventures during the year ended 31 December 2023.

Share of Profits of Associates

For the year ended 31 December 2023, the Group's recorded share of profits of associates of RMB0.1 million, while we recorded share of profits of associates of RMB491.0 million for the year ended 31 December 2022, which was primarily attributable to the decrease in GFA of property projects delivered held by the Group's associates for the year ended 31 December 2023.

Profit before Tax

The Group's profit before tax decreased by approximately 81.2% to RMB697.8 million for the year ended 31 December 2023 from RMB3,706.4 million for the year ended 31 December 2022.

Income Tax Expenses

The Group's income tax expenses for the year ended 31 December 2023 included the provision made for PRC enterprise Income tax and land appreciation tax. The Group's income tax expenses decreased by approximately 30.3% to RMB1,131.7 million for the year ended 31 December 2023 from RMB1,623.3 million for the year ended 31 December 2022, which was primarily attributable to the decrease in income tax expenses for the current year.

(Loss)/Profit for the Year

As a result of the change in the Group's financial data mentioned above, the Group recorded a net loss of RMB433.9 million for the year ended 31 December 2023, as compared to profit after tax of 2,083.2 million for the year ended 31 December 2022, decreased by approximately 120.8%.

LIQUIDITY AND FINANCIAL RESOURCES

Net Current Assets

As at 31 December 2023, the Group's net current assets was RMB23,233.3 million (2022: RMB33,858.4 million). In particular, the Group's total current assets decreased by approximately 24.7% to RMB99,234.8 million as at 31 December 2023 from RMB131,789.1 million as at 31 December 2022. The Group's total current liabilities decreased by approximately 22.4% to RMB76,001.6 million as at 31 December 2023 from RMB97,930.8 million as at 31 December 2022. The decrease of the Group's net current assets was mainly attributable to (i) the decrease in properties under development as a result of our completion and delivery of properties; and (ii) the decrease in cash and bank balances during the year ended 31 December 2023. Such decrease in net current assets was partly offset by the decrease in contracted liabilities as a result of decrease in sales of properties during the year ended 31 December 2023.

Cash Position

As at 31 December 2023, the Group's cash and bank balances was RMB7,072.9 million (2022: RMB12,319.5 million).

Indebtedness

As at 31 December 2023, the Group's outstanding borrowings amounted to RMB29,428.4 million (2022: RMB37,815.8 million), of which RMB15,994.1 million (2022: RMB19,109.5 million) carried interests at fixed rate. Save for the RMB2,142.8 million senior notes which were denominated in US dollars, all other borrowings of the Group were denominated in Renminbi.

The table below sets forth the components of the Group's borrowings as at the dates indicated:

	As of 31 December	
	2023	2022
	RMB'000	*RMB'000*
Current		
Other loans – secured	**–**	1,190,000
Current portion of long term bank loans – secured	**11,141,143**	8,520,513
Current portion of other loans – secured	**593,260**	1,226,840
Corporate bonds	**15,707**	667,743
Senior notes	**2,142,841**	440,607
Proceeds from asset-backed securities	**47,606**	70,696
Total current	**13,940,557**	12,116,399
Non-current		
Bank loans – secured	**10,268,920**	14,718,167
Bank loans – unsecured	**–**	50,000
Other loans – secured	**767,800**	839,300
Corporate bonds	**2,778,304**	2,797,578
Senior notes	**–**	2,075,827
Proceeds from asset-backed securities	**1,672,856**	5,218,481
Total non-current	**15,487,880**	25,699,353
Total borrowings	**29,428,437**	37,815,752
Secured	**27,285,596**	31,713,301
Unsecured	**2,142,841**	6,102,451
Total borrowings	**29,428,437**	37,815,752

The following table sets out the maturity of the Group's total borrowings and the extent of the Group's total borrowings subject to fixed or floating interest rates as at the dates indicated:

	As of 31 December	
	2023	2022
	RMB'000	*RMB'000*
Bank loans repayable:		
Within one year	**11,141,143**	8,520,513
Between one and two years	**4,475,407**	12,584,529
Between two and five years	**1,740,387**	1,629,823
More than five years	**4,053,126**	553,815
	21,410,063	23,288,680
Other borrowings repayable:		
Within one year	**593,260**	2,416,840
Between one and two years	**599,800**	839,300
Between two and five years	**168,000**	–
	1,361,060	3,256,140
Other senior notes, corporate bonds and proceeds from asset-backed securities repayable		
Within one year	**2,206,154**	1,179,046
Between one and four years	**2,850,026**	5,072,690
Over four years	**1,601,134**	5,019,196
	6,657,314	11,270,932
Total	**29,428,437**	37,815,752
By fixed or floating interest rates		
Fixed interest rate	**15,994,087**	19,109,501
Floating interest rate	**13,434,350**	18,706,251
Total Indebtedness	**29,428,437**	37,815,752

Pledged Assets

As at 31 December 2023, the Group's borrowings was secured by the Group's assets that amounted to RMB44,992.8 million (2022: RMB55,954.2 million), such assets included (i) property, plant and equipment; (ii) land use rights; (iii) investment properties; (iv) properties under development; (v) completed properties held for sale; and (vi) pledged deposits.

Financial Risk

The Group's businesses exposed us to various financial risks, including interest rate risk, foreign exchange risk, credit risk and liquidity risk. In order to minimize such risk exposures of the Group, we do not use any derivatives and other instruments for hedging. The Group does not hold or issue financial derivatives for trading purpose.

Interest Rate Risk

The Group's exposure to changes in market interest rate relates primarily to the Group's interest-bearing bank and other borrowings. The Group does not use financial derivatives to hedge interest rate risk, and uses variable rate bank borrowings and other borrowings to manage its interest cost.

Foreign Exchange Risk

The Group mainly operates its business in China, and substantial of its revenue and expenses are denominated in Renminbi. As at 31 December 2023, among the Group's cash and bank balances, RMB1.3 million and RMB14.9 million was denominated in Hong Kong dollars and US dollars, respectively, such amounts were subject to the exchange rate fluctuation. The Group does not have any policy to hedge against foreign exchange risk. However, the Group will closely monitor its foreign exchange exposure, and strive to maintain the value of the Group's cash.

Credit Risk

The Group divides financial instruments on basis of shared credit risk characteristics, such as instrument type and credit risk ratings for the purpose of determining significant increases in credit risk and calculation of impairment. To manage risk arising from trade receivables, the Group has policies in place to ensure that credit terms are made only to counterparties with an appropriate credit history and management performs ongoing credit evaluations of the Group's counterparties. The credit quality of these customers is assessed after taking into account their financial position, past experience and other factors. The Group also has other monitoring procedures to ensure that follow-up action is taken to recover overdue receivables. In addition, the Group regularly reviews the recoverable amount of trade receivables to ensure that adequate impairment losses are made for irrecoverable amounts. The Group has no significant concentrations of credit risk, with credit risk spread over a large number of counterparties and customers.

Liquidity Risk

The Group's objective is to maintain a balance between sustainability and flexibility of funding through the use of interest-bearing bank and other borrowings. The Group reviews its liquidity position on an ongoing basis.

Contingent Liabilities

The Group has arrangements with various banks for the provision of mortgage financing and, where required, provides our customers with guarantees as security for mortgage loans. The terms of such guarantees typically last until the issuance of the real estate ownership certificate upon the completion of guarantee registration or satisfaction of mortgage loan by the purchaser. As a guarantor, if the purchaser defaults in payment, the Group is obligated to repay all outstanding amounts owed by the purchaser to the mortgagee bank under the loan and have the right to claim such amount from the defaulting purchaser. As at 31 December 2023, the Group did not incur any material losses in respect of the guarantees provided for mortgage facilities granted to purchasers of the Group's completed properties held for sale. The Directors considered that the likelihood of default in payments by purchasers is minimal and therefore the financial guarantees measured at fair value was immaterial. As such, no provision has been made in connection with the guarantees.

As at 31 December 2023, the Group has provided guarantee to the banks amounting to RMB27,106.0 million (2022: RMB35,685.8 million) in total for the financing granted to the purchasers of the Group's properties. As at 31 December 2023, the Group has provided guarantee to the banks and other institutions amounting to RMB1,341.7 million (2022: RMB1,044.1 million) in total for the financing granted to the Group's related companies. As at 31 December 2023, the Group did not have any outstanding loan capital, bank overdrafts and acceptance liabilities or other similar indebtedness, debentures, mortgages, charges or loans, or acceptance credits or hire purchase commitments, guarantees or other material contingent liabilities or any covenant. The Directors have confirmed that there had not been any material change in the indebtedness, capital commitments and contingent liabilities of the Group up to the latest practicable date for the purpose of the indebtedness statement.

Legal Contingents

The Group may be involved in lawsuits and other proceedings from time to time during the ordinary course of business. The Group believes that the liabilities resulting from these proceedings will not have a material adverse effect on our business, financial condition or operating results.

Commitment

As at 31 December 2023, the Group had capital commitment of RMB18,430.8 million (2022: RMB24,893.2 million) in respect of properties under development, merger and acquisition of equity interest and capital injection for investment in joint ventures and associates.

Off-Balance Sheet Commitment and Arrangements

Save for the contingent liabilities disclosed above, as at 31 December 2023, the Group did not have any outstanding loan capital issued or agreed to be issued, bank overdrafts, loans, loan securities, borrowings or other similar indebtedness, acceptance liabilities (save for normal commercial notes), acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, guarantees or other material contingent liabilities.

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

During the year ended 31 December 2023, the Company has no other significant investments held or material acquisitions or disposals of subsidiaries, associates and joint ventures.

Future Plan for Significant Investment

The Group did not have any other immediate plans for material investments and capital assets as at 31 December 2023.

Employees

As at 31 December 2023, the Group has a total of 1,432 employees (2022: 2,257 employees), with most of them were based in China. For the year ended 31 December 2023, staff costs (including Directors) was approximately RMB325.6 million (2022: approximately RMB435.1 million). The Group determined the salary based on the qualifications, position and experience of each employee. The Group has established a regular assessment mechanism to assess the performance of our employees, the assessment results are used as the basis for determining salary increment, bonuses and promotions.

SUBSEQUENT EVENTS

Subsequent to 31 December 2023, the Group did not pay principal of US$300,000,000 for certain senior notes due in March 2024. For details, please refer to the announcement of the Company dated 20 March 2024.

CORPORATE GOVERNANCE

The Group is committed to achieving high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. During the year ended 31 December 2023, the Company applied the principles of good corporate governance and complied with the code provisions as set out in Part 2 of the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") in force during the year ended 31 December 2023 (i.e. the new Appendix C1 to the Listing Rules with effect from 31 December 2023)(the "**CG Code**") except for the following deviation from provision C.2.1 of Part 2 of the CG Code for reasons set out below. The Company regularly reviews its corporate governance practices to ensure compliance with the CG Code.

Chairman and Chief Executive Officer

Code provision C.2.1 of Part 2 of the CG Code stipulates that the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Lam Ting Keung is the chairman of the Board and the chief executive officer of the Company. In view of the fact that Mr. Lam Ting Keung has been assuming day-to-day responsibilities in operating and managing the Group since its establishment, the Board believes that it is in the best interest of the Group to have Mr. Lam Ting Keung taking up both roles for effective management and business development. Therefore, the Directors consider that the deviation from code provision C.2.1 of Part 2 of the CG Code is appropriate in such circumstance.

Notwithstanding from the above, the Board views that this management structure is effective for the Group's operations and sufficient checks and balances are in place.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix 10 to the Listing Rules in force during the year ended 31 December 2023 (i.e. the new Appendix C3 to the Listing Rules with effect from 31 December 2023) (the "**Model Code**") as the guidelines for the Directors' dealings in the securities of the Company. Having made specific enquiries to each of the Directors, they have confirmed their compliance with the required standards set out in the Model Code during the year ended 31 December 2023.

REVIEW OF AUDITED ANNUAL RESULTS

The Board established an audit committee (the "**Audit Committee**") with written terms of reference in compliance with the CG Code. The terms of reference of the Audit Committee has been uploaded to the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.radiance.com.cn).

The primary duties of the Audit Committee are to review, supervise and approve the financial reporting process and internal control system and to provide advice and comments to the Board. The Audit Committee consists of three members, namely Mr. Chung Chong Sun, Mr. Zhang Huaqiao and Mr. Tse Yat Hong, each of them is an independent non-executive Director. The chairman of the Audit Committee is Mr. Chung Chong Sun, who possesses appropriate professional qualifications.

The Audit Committee has discussed, reviewed and agreed with the management of the Company regarding the accounting principles and practices adopted by the Group, together with the internal control and financial reporting matters as well as the annual results of the Group for the year ended 31 December 2023.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2023 as set out in this announcement have been agreed by the Group's independent auditor, Ernst & Young, Certified Public Accountants of Hong Kong, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2023. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on this announcement.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is an extract of the independent auditor's report issued by the Group's independent auditor, Ernst & Young, Certified Public Accountants of Hong Kong on the consolidated financial statements of the Group for the year ended 31 December 2023:

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board (the "**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Going concern basis

The Group recorded a net loss of RMB433,943,000 for the year ended 31 December 2023. As at 31 December 2023, the Group had cash and bank balances (including restricted cash) of RMB7,072,920,000, short term borrowings of RMB13,940,557,000 including Interest-bearing bank and other borrowings, proceeds from asset-backed securities, senior notes and corporate bonds. As stipulated in the announcement dated 20 March 2024, the Company did not repay a principal of US$300,000,000 for certain senior notes due in March 2024. There is a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

Further details of the above is disclosed as note 1.1 to this announcement.

PUBLICATION OF ANNUAL RESULTS

This announcement is published on the website of the Stock Exchange at www.hkexnews.hk as well as the website of the Company at www.radiance.com.cn. The Company's annual report for the year ended 31 December 2023 will be despatched to the Shareholders and published on the aforementioned websites in due course.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Company and its subsidiaries did not purchase, sell or redeem any of the listed securities of the Company during the year ended 31 December 2023.

FINAL DIVIDEND

The Board did not recommend payment of final dividend for the year ended 31 December 2023 (2022: NIL).

2024 AGM AND CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company (the "**2024 AGM**") will be convened and held on Friday, 31 May 2024. A notice convening the 2024 AGM (the "**2024 AGM Notice**") will be published on the Company's website and the Stock Exchange's website and despatched to the Shareholders in accordance with the requirements of the Listing Rules in due course. For the purposes of determining the Shareholders' eligibility to attend, speak and vote at the 2024 AGM, the register of members of the Company will be closed from Tuesday, 28 May 2024 to Friday, 31 May 2024, both days inclusive, during which period no transfer of the shares of the Company will be effected. In order to determine the identity of the Shareholders who are entitled to attend and vote at the 2024 AGM, all share transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 27 May 2024.

(2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Board proposed to put forward to the Shareholders for approval at the 2024 AGM a special resolution to amend the existing second amended and restated articles of association of the Company (the "**Existing Articles of Association**") and to adopt the third amended and restated articles of association of the Company (the "**New Articles of Association**") in substitution for, and to the exclusion of, the Existing Articles of Association.

The proposed amendments to the Articles of Association (the "**Proposed Amendments**") are for the purposes of, among others, (i) reflecting and aligning with the latest regulatory requirements in relation to the expanded paperless listing regime and the electronic dissemination of corporate communications by listed issuers and the relevant amendments made to the Listing Rules which took effect from 31 December 2023; and (ii) making certain minor housekeeping amendments and other consequential changes to the Existing Articles of Association. The Board is of the view that the Proposed Amendments are in the interests of the Company and the Shareholders as a whole.

The Proposed Amendments are subject to the approval of the Shareholders by way of special resolution at the 2024 AGM and, if approved, will become effective upon such approval. Prior to the passing of the relevant special resolution at the 2024 AGM, the Existing Articles of Association shall remain valid.

After the Proposed Amendments come into effect, the full text of the New Articles of Association will be published on the Company's website and the Stock Exchange's website.

A circular containing, among other things, further details of the Proposed Amendments as well as the proposed adoption of the New Articles of Association, together with the 2024 AGM Notice, will be despatched to the Shareholders in due course.

By order of the Board
Radiance Holdings (Group) Company Limited
Lam Ting Keung
Chairman

Hong Kong, 28 March 2024

As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Lam Ting Keung, Mr. Lam Yu, Mr. Huang Junquan and Mr. Xu Xiaodong and three independent non-executive Directors, namely, Mr. Zhang Huaqiao, Mr. Tse Yat Hong and Mr. Chung Chong Sun.