GREENLAND HONG KONG HOLDINGS LIMITED
綠地香港控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 337)

2023 ANNUAL RESULTS ANNOUNCEMENT

The board of directors of Greenland Hong Kong Holdings Limited (the "**Company**" or "**Greenland HK**") is pleased to announce the audited consolidated results and financial position of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 December 2023 (the "**FY2023**"), together with the comparative figures for the corresponding period in 2022 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	NOTES	**2023** *RMB'000*	2022 *RMB'000*
Revenue	*5*	**24,932,665**	26,614,317
Cost of sales		**(22,362,599)**	(22,515,753)
Gross profit		**2,570,066**	4,098,564
Other income	*6*	**22,063**	46,640
Other gains and losses	*7*	**(66,190)**	24,618
Selling and marketing costs		**(659,854)**	(856,132)
Administrative expenses		**(497,769)**	(621,047)
Other operating expenses		**(116,667)**	(142,299)
Impairment (loss) gain under expected credit loss model, net of reversal		**(189,437)**	3,848
Loss on changes in fair value of investment properties		**(1,015,105)**	(273,094)
Loss on disposal of interest in subsidiaries		**(73,025)**	–
Loss on disposal of interest in a joint venture		**(114,999)**	–
Finance income	*8*	**19,399**	57,671
Finance costs	*9*	**(100,044)**	(132,260)
Share of results of associates		**9,255**	27,249
Share of results of joint ventures		**(388,104)**	36,117
(Loss) profit before tax		**(600,411)**	2,269,875
Income tax expenses	*10*	**(1,168,765)**	(1,489,430)
(Loss) profit for the year	*11*	**(1,769,176)**	780,445

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	NOTE	2023 RMB'000	2022 RMB'000
Other comprehensive income			
Item that will not be reclassified to profit or loss:			
Fair value gain on investments in equity instruments at fair value through other comprehensive (expense) income		**(6,282)**	118,051
Other comprehensive (expense) income for the year, net of income tax		**(4,711)**	88,538
Total comprehensive (expense) income for the year		**(1,773,887)**	868,983
(Loss) profit for the year attributable to:			
Owners of the Company		**(1,751,863)**	480,904
Non-controlling interests		**(103,649)**	217,198
Owners of perpetual securities		**86,336**	82,343
		(1,769,176)	780,445
Total comprehensive (expense) income attributable to:			
Owners of the Company		**(1,756,574)**	569,442
Non-controlling interests		**(103,649)**	217,198
Owners of perpetual securities		**86,336**	82,343
		(1,773,887)	868,983

		2023 RMB	2022 RMB
(Loss) earnings per share			
Basic	*13*	**(0.63)**	0.17

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	NOTE	2023 RMB'000	2022 RMB'000
ASSETS			
Non-Current Assets			
Investment properties		**9,554,000**	11,181,000
Property, plant and equipment		**2,170,283**	1,923,482
Intangible assets		**1,026**	1,071
Right-of-use assets		**226,673**	252,503
Equity instruments at fair value through other comprehensive income ("FVTOCI")		**465,443**	471,725
Interests in associates		**1,753,932**	1,742,927
Interests in joint ventures		**3,557,627**	4,096,869
Deferred tax assets		**1,886,578**	1,797,955
Total non-current assets		**19,615,562**	21,467,532
Current Assets			
Properties under development		**63,188,264**	76,575,661
Completed properties held for sale		**17,788,248**	18,634,696
Trade and other receivables, deposits and prepayments	*14*	**22,400,328**	24,885,472
Prepaid taxation		**1,881,451**	2,356,468
Contract assets		**276,083**	335,496
Contract costs		**246,983**	351,653
Restricted bank deposits		**1,121,610**	1,540,461
Bank balances and cash		**1,717,941**	3,011,771
		108,620,908	127,691,678
Assets classified as held for sale		**–**	491,307
Total current assets		**108,620,908**	128,182,985
Total assets		**128,236,470**	149,650,517

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	NOTES	2023 RMB'000	2022 RMB'000
EQUITY AND LIABILITIES			
Capital And Reserves			
Share capital		**1,132,097**	1,132,097
Reserves		**11,164,811**	12,869,947
Equity attributable to owners of the Company		**12,296,908**	14,002,044
Perpetual securities	*16*	**806,239**	805,090
Non-controlling interests		**6,955,226**	8,405,253
Total equity		**20,058,373**	23,212,387
LIABILITIES			
Non-Current Liabilities			
Deferred tax liabilities		**1,359,740**	1,519,546
Interest-bearing loans		**6,900,840**	5,406,771
Lease liabilities		**370,826**	423,675
Total non-current liabilities		**8,631,406**	7,349,992
Current Liabilities			
Trade and other payables	*15*	**54,402,412**	56,103,729
Tax payable		**8,067,277**	7,336,480
Interest-bearing loans		**7,500,466**	10,315,099
Lease liabilities		**52,849**	119,951
Contract liabilities		**29,523,687**	44,798,581
		99,546,691	118,673,840
Liabilities associated with assets classified as held for sale		**–**	414,298
Total current liabilities		**99,546,691**	119,088,138
Total liabilities		**108,178,097**	126,438,130
Total equity and liabilities		**128,236,470**	149,650,517
Net current assets		**9,074,217**	9,094,847
Total assets less current liabilities		**28,689,779**	30,562,379

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1. GENERAL INFORMATION

Greenland Hong Kong Holdings Limited (the "Company") was incorporated in the Cayman Islands on 13 April 2006 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 2007, as consolidated and revised) of the Cayman Islands and its share are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange").

The ultimate controlling shareholder of the Company is Greenland Holdings Corporation Limited ("Greenland Holdings") and the parent company is Gluon Xima International Limited. The address of the Company's registered office is Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681 GT, George Town, Grand Cayman, British West Indiess, and principal place of business of the Company is No 193 Xiehe Road, Shanghai, China.

The Company is an investment holding company. The principal activities of its subsidiaries (together with the Company referred to as the "Group") are the development for sale and rental of properties and related services and the operation of hotels in the People's Republic of China (the "PRC").

The consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

New and Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to IFRSs issued by the International Accounting Standards Board ("IASB") for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2023 for the preparation of the consolidated financial statements:

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance Contacts
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
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies

Except as described below, the application of the new and amendments to IFRSs in the current year had no 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.

Impacts on application of Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Group has applied the amendments for the first time in the current year. The amendments narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of IAS 12 *Income Taxes* so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

In accordance with the transition provision:

(i) the Group has applied the new accounting policy retrospectively to leasing transactions that occurred on or after 1 January 2022;

(ii) the Group also, as at 1 January 2022, recognised a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary difference associated with right-of-use-assets, investment properties and lease liabilities.

The application of the amendments has had no material impact on the Group's financial position and performance, except that the Group disclose the related deferred tax assets and deferred tax liabilities on a gross basis but it has no impact on the retained earnings at the earliest period presented.

Impacts on application of Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies

The Group has applied the amendments for the first time in the current year. IAS 1 *Presentation of Financial Statements* is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". 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.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

IFRS Practice Statement 2 *Making Materiality Judgements* (the "Practice Statement") is also amended to illustrate how an entity applies the "four-step materiality process" to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group's financial positions and performance but has affected the disclosure of the Group's accounting policies set out in note 3 to the consolidated financial statements.

Amendments to IFRSs in issue but not yet effective

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

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback[2]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current[2]
Amendments to IAS 1	Non-current Liabilities with Covenants[2]
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements[2]
Amendments to IAS 21	Lack of Exchangeability[3]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2024.
3 Effective for annual periods beginning on or after 1 January 2025.

Except as described below, he directors of the Company anticipate that the application of all other amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to IAS 1 *Classification of Liabilities as Current or Non-current* (2020) (the "2020 Amendments") and Amendments to IAS 1 *Non-current Liabilities with Covenants* (the "2022 Amendments")

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying IAS 32 *Financial Instruments: Presentation*.

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that the classification should not be affected by management intentions or expectations to settle the liability within 12 months.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the requirements introduced by the 2020 Amendments have been modified by the 2022 Amendments. The 2022 Amendments specify that only covenants with which an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date. Covenants which are required to comply with only after the reporting period do not affect whether that right exists at the end of the reporting period.

In addition, the 2022 Amendments specify the disclosure requirements about information that enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period, if an entity classifies liabilities arising from loan arrangements as non-current when the entity's right to defer settlement of those liabilities is subject to the entity complying with covenants within twelve months after the reporting period.

The 2022 Amendments also defer the effective date of applying the 2020 Amendments to annual reporting periods beginning on or after 1 January 2024. The 2022 Amendments, together with the 2020 Amendments, are effective for annual reporting periods beginning on or after 1 January 2024, with early application permitted. If an entity applies the 2020 Amendments for an earlier period after the issue of the 2022 Amendments, the entity should also apply the 2022 Amendments for that period.

Based on the Group's outstanding liabilities as at 31 December 2023, including the related terms and conditions stipulated in the agreements between the Group and the relevant lenders, the application of the 2020 and 2022 Amendments will not result in reclassification of the Group's liabilities.

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

Basis of preparation of consolidated financial statements

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

Going concern assessment

As at 31 December 2023, the Group had interest-bearing loans of RMB7,500 million which were repayable within one year from the end of the reporting period, while its bank balances and cash amounted to RMB1,718 million. In addition, as at 31 December 2023, the Group had not repaid certain interest-bearing loans of RMB1,709 million according to their scheduled repayment dates. The Group has been negotiating with the relevant banks for extension of the repayment dates of such loans. Subsequent to the end of the reporting period, the Group has entered into an agreement to extend the repayment of loans which were due for repayment as at the reporting date and the directors of the Company expect the refinancing of several other similar loans will be completed in the near future.

The above circumstances indicate that the Group's operations and liquidity are under stress. It is possible that the Group may not have sufficient working capital to operate if measures are not taken to improve the Group's cash position.

In light of aforesaid, the directors of the Company have adopted a number of plans and measures to alleviate the liquidity pressures:

(i) the Group is actively negotiating with several existing banks to extend the repayment schedule of the interest-bearing loans, and has been negotiating with various banks to secure new sources of financing. Up to the date of approval of these financial statements, the Group has obtained a loan facility of RMB250 million from a bank;

(ii) the Group will continue to actively adjust the sales and pre-sale activities to better respond to market needs and strive to achieve the latest budgeted sales and pre-sales volumes and amounts. The Group will maintain continuous communication with key contractors and suppliers for payment arrangements and to fulfil all necessary conditions for the commencement of pre-sales;

(iii) as at 31 December 2023, the Group had restricted pre-sale proceeds of RMB252 million in designated bank accounts which may be used to settle certain construction liabilities or project loans subject to the approval of the PRC State-Owned Land and Resource Bureau. The Group will closely monitor the construction progress of its property development projects to ensure that the construction and related payments are met, the relevant properties sold under the pre-sale agreement are completed and delivered to the customers as scheduled, so that the Group will be able to release the restricted cash to meet its other financial obligations; and

(iv) as at 31 December 2023, the Group had restricted bank deposits of RMB727 million in designated bank accounts, related to construction liabilities with claims amounting to RMB599 million. The Group will continuously negotiate with relevant contractors and suppliers to settle the liabilities and claims, so that the Group will be able to release the restricted bank deposits.

The directors of the Company have reviewed the Group's cash flow projections prepared by the management of the Company, which cover a period of not less than twelve months from the end of the reporting period. They are of the opinion that, taking into account the above plans and measures, the Group will have sufficient working capital to fund its operations and to meet its financial obligations as and when they fall due within twelve months from the end of the reporting period. Accordingly, the directors are satisfied that it is appropriate to prepare these consolidated financial statements on a going concern basis.

However, given the volatility of the property sector in the PRC, there is a material uncertainty as to whether the Group's management will be able to achieve these plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon (i) the successful and timely implementation of the plans to adjust sales and pre-sale activities and to fulfil all necessary conditions for the commencement of pre-sales; (ii) agreeing payment arrangements with key contractors and suppliers; and (iii) receiving continuous support by the banks on loan extension and securing new sources of financing.

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 these consolidated financial statements.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying accounting policies

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

Deferred taxation on investment properties

The Group recognises deferred tax in respect of the changes in fair value of the investment properties based on directors' best estimate assuming future tax consequences through usage of such properties for rental purpose, rather than through sale. The final tax outcome could be different from the deferred tax liabilities recognised in the consolidated financial statements should the investment properties are subsequently disposed by the Group, rather than consumed substantially all of the economic benefits embodied in the investment properties by leasing over time. In the event the investment properties are being disposed, the Group may be liable to higher tax upon disposal considering the impact of land appreciation tax.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Valuation of investment properties

Investment properties in the consolidated statement of financial position at 31 December 2023 are carried at their fair values of approximately RMB9,554,000,000 (2022: RMB11,181,000,000). The valuations are dependent on certain key inputs that require significant management estimation, including estimated costs to completion of investment properties under development, capitalisation rates, average unit market rent and average unit market price. The fair values of the investment properties are determined by reference to valuations conducted on these properties by an independent firm of property valuer using property valuation techniques which involve certain assumptions of prevailing market conditions. Favourable or unfavorable changes to these assumptions may result in changes in the fair values of the Group's investment properties and corresponding adjustments to the changes in fair values reported in the consolidated statement of profit or loss and other comprehensive income and the carrying amounts of these properties included in the consolidated statement of financial position.

PRC land appreciation taxes

The Group is subject to land appreciation taxes ("LAT") in the PRC. The implementation and settlement of these taxes varies among various tax jurisdictions in cities of the PRC, and the Group has not finalised its PRC LAT calculation and payments with most of local tax authorities in the PRC. The calculation of PRC LAT is highly dependent on the appropriateness of the rates used, which are determined by the appreciation of land value. The appreciation of land value is determined with reference to proceeds of the properties less the estimated deductible expenditures, including the cost of land use rights and all property development expenditures. The Group estimated the deductible expenditures according to the understanding of the relevant PRC tax laws and regulations. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the income tax expense and the related income tax provisions in the periods in which such tax is finalised with local tax authorities. As at 31 December 2023, the LAT payable amounted to approximately RMB4,929,714,000 (2022: RMB4,666,612,000) and the LAT recognised in the consolidated statement of profit or loss and other comprehensive income statement amounted to approximately RMB572,209,000 for the year then ended (2022: RMB614,018,000).

Write-down of properties under development and completed properties held for sale

Management performs a regular review on the carrying amounts of properties under development and completed properties held for sale. Based on management's review, write-down of properties under development and completed properties held for sale will be made when the estimated net realisable value has declined below the carrying amount.

In determining the net realisable value of completed properties held for sale, management refers to prevailing market data such as recent sales transactions and the selling price based on prevailing market condition.

In respect of properties under development, the net realisable value is the estimated selling price of the completed units (based on the current prevailing market conditions) less estimated selling expenses and estimated cost of completion (if any). These estimates require judgement as to the anticipated sale prices by reference to recent sales transactions in nearby locations, marketing costs (including price discounts required to stimulate sales) and the estimated costs to completion of properties, the legal and regulatory framework and general market conditions.

As of 31 December 2023, the amount of the write-down of completed properties held for sale and properties under development was RMB2,316,039,000 (2022: RMB2,306,762,000).

ECL allowance

The Group recognises a loss allowance for ECL on financial assets including trade receivables, other receivables and other items such as contract assets and financial guarantee which are subject to impairment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition. Significant judgements and estimations are required in determining the impairment assessment including the judgements on grouping basis for the provision matrix or individual assessment and the estimations on the expected loss rates used to calculate the ECL allowance. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. The provision of ECL is sensitive to changes in estimates.

5. REVENUE

(i) Disaggregation of revenue from contracts with customers

	For the year ended 31 December 2023		
	Revenue recognised at a point in time *RMB'000*	**Revenue recognised over time** *RMB'000*	**Total** *RMB'000*
Types of goods or services			
Sales of properties	**23,800,179**	**–**	**23,800,179**
Hotel and related services	**–**	**61,102**	**61,102**
Property management and other services	**–**	**800,428**	**800,428**
Revenue from contracts with customers	**23,800,179**	**861,530**	**24,661,709**
Leases – rental income			**270,956**
Total revenue			**24,932,665**

	For the year ended 31 December 2022		
	Revenue recognised at a point in time	Revenue recognised over time	Total
	RMB'000	*RMB'000*	*RMB'000*
Types of goods or services			
Sales of properties	25,677,380	–	25,677,380
Hotel and related services	–	61,227	61,227
Property management and other services	–	617,241	617,241
Revenue from contracts with customers	25,677,380	678,468	26,355,848
Leases – rental income			258,469
Total revenue			26,614,317

(ii) Performance obligations for contracts with customers and revenue recognition policies

Sales of properties

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

The Group receives 20% to 70% of the contract value as advance payment from customers when they sign the sale and purchase agreement and the residual portion of the contract value is expected to be received with one to three months from share agreements signing date. Such advance payment schemes result in contract liabilities being recognised throughout the property construction period.

The Group considers the advance payment schemes contain significant financing component and accordingly the amount of consideration is adjusted for the effects of the time value of money taking into consideration the credit characteristics of the Group. As this accrual increases the amount of the contract liability during the period of construction, it increases the amount of revenue recognised when control of the completed property is transferred to the customer.

Hotel and related service

The Group's performance obligation from hotel and related services is mainly to provide accommodation services to guests. Revenue from accommodation service is recognised overtime and the progress measured using the output method during the period when the rooms for accommodation are occupied. The hotel and related services fees are billed to the customers after the services provided.

Property management and other services

Revenue from property management and other services is recognised over time. The property management service fees are billed to the clients periodically (either monthly or quarterly billing period).

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) at the end of the reporting period, and the expected timing of recognising revenue are as follows:

	2023	2022
	RMB'000	*RMB'000*
Sales of properties		
Within one year	**22,499,633**	33,777,364
More than one year but not more than two years	**24,381,150**	23,657,441
More than two years	**3,962,344**	9,692,469
	50,843,127	67,127,274

All hotel and other related service and property management and other services are for periods of one year or less. As permitted under IFRS 15 *Revenue from Contract with Customers*, the transaction price allocated to these unsatisfied contracts is not disclosed.

(iv) Leases

	2023	2022
	RMB'000	*RMB'000*
For operating leases:		
Fixed lease payments	**270,956**	258,469

6. OTHER INCOME

	2023	2022
	RMB'000	*RMB'000*
Government grants (note)	**10,440**	18,933
Forfeited deposits from customers	**4,200**	8,425
Others	**7,423**	19,282
	22,063	46,640

Note: The amount of government grants represents the incentive subsidies received from the PRC local district authorities for the business activities carried out by the Group in the district.

7. OTHER GAINS AND LOSSES

	2023	2022
	RMB'000	*RMB'000*
Net foreign exchange loss	**(66,401)**	(194,534)
Net gain on disposal of assets classified held for sale and property, plant and equipment	**211**	219,152
	(66,190)	24,618

8. FINANCE INCOME

	2023	2022
	RMB'000	*RMB'000*
Interest income on bank deposits	**19,399**	57,671

9. FINANCE COSTS

	2023	2022
	RMB'000	*RMB'000*
Interest expenses on bonds	**–**	42,940
Interest expenses on interest-bearing loans	**809,789**	882,086
Interest expenses on lease liabilities	**26,502**	33,191
Interest expenses on contract liabilities	**196,722**	311,604
Less: interest of bonds capitalised	**–**	(30,144)
interest of interest-bearing loans capitalised	**(736,247)**	(795,813)
interest of contract liabilities capitalised	**(196,722)**	(311,604)
	100,044	132,260

Interest expenses capitalised during the year arose on the general borrowing pool and are calculated by applying a capitalisation rate of 5.11% (2022: 6.07%) per annum to expenditure on qualifying assets.

10. INCOME TAX EXPENSES

	2023 *RMB'000*	2022 *RMB'000*
Current tax		
– PRC Enterprise Income Tax ("EIT")	**848,795**	981,248
– PRC LAT	**572,209**	614,018
	1,421,004	1,595,266
(Over) under provision in prior years		
– PRC EIT	**(5,381)**	9,393
Deferred tax	**(246,858)**	(115,229)
	1,168,765	1,489,430

Hong Kong Profits Tax

No provision for Hong Kong Profits Tax has been made as the Group's income neither arises in, nor is derived from Hong Kong.

Enterprise Income Tax

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the Group's PRC subsidiaries is 25% for both years.

In addition, the EIT Law provides that qualified dividend income between two "resident enterprises" that have a direct investment relationship is exempted from income tax. Otherwise, such dividends will be subject to a 5% or 10% withholding tax under the EIT Law. A 10% withholding tax rate is applicable to the Group.

Land Appreciation Tax

According to the requirements of the Provisional Regulations of the PRC on LAT effective from 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT effective from 27 January 1995, all income from the sale or transfer of state-owned land use rights, buildings and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for property sales of ordinary residential properties if their appreciation values do not exceed 20% of the sum of the total deductible items.

The income tax expenses for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income accounting as follows:

	2023	2022
	RMB'000	*RMB'000*
(Loss) profit before tax	**(600,411)**	2,269,875
Tax at the applicable PRC EIT rate of 25%	**(150,103)**	567,469
Tax effect of income not taxable for tax purposes	**(2,407)**	(1,521)
Tax effect of expenses not deductible for tax purposes	**235,441**	168,874
Tax effect of share of results of associates	**(2,314)**	(6,812)
Tax effect of share of results of joint ventures	**97,026**	(9,029)
(Over) under provision in respect of prior years	**(5,381)**	9,393
Tax effect of tax losses not recognised	**464,698**	276,101
Utilisation of tax losses previously not recognised	**(14,589)**	(23,895)
Tax effect of deductible temporary differences not recognised	**117,237**	48,337
PRC LAT provision for the year	**572,209**	614,018
Tax effect of PRC LAT deductible for PRC EIT	**(143,052)**	(153,505)
Income tax expenses for the year	**1,168,765**	1,489,430

11. (LOSS) PROFIT FOR THE YEAR

	2023 *RMB'000*	2022 *RMB'000*
(Loss) profit for the year has been arrived at after charging (crediting):		
Cost of properties sold	**21,326,885**	21,657,937
Staff costs (including directors' emoluments)	**457,618**	588,771
Less: capitalised in properties under development and investment properties under development	**(111,467)**	(152,806)
	346,151	435,965
Auditors' remuneration		
– audit services	**5,500**	5,700
– non-audit services	**98**	80
	5,598	5,780
Depreciation of property, plant and equipment	**44,560**	57,246
Amortisation of intangible assets	**45**	45
Depreciation of right-of-use assets	**25,830**	27,212
Amortisation of contract costs	**222,826**	178,518
	293,261	263,021
Write-down of properties under development and completed properties held for sale	**468,948**	193,347
Gross rental income from investment properties	**270,956**	258,469
Less: Direct operating expenses incurred for investment properties that generated rental income during the year	**(48,474)**	(51,901)
Direct operating expenses incurred for investment properties that did not generate rental income during the year	**(6,610)**	(7,077)
	215,872	199,491

12. DIVIDENDS

	2023	2022
	RMB'000	*RMB'000*
Dividends for ordinary shareholders of the Company recognised as distribution during the year:		
2022 Final – no dividend was proposed (2022: 2021 Final – HK$0.3 per share)	**–**	716,277

No dividend was proposed for ordinary shareholders of the Company during 2023, nor has any dividend been proposed since the end of the reporting period (2022: Nil).

13. (LOSS) EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

(Loss) earnings

	2023	2022
	RMB'000	*RMB'000*
(Loss) earnings for the purpose of basic earnings per share ((loss) profit for the year attributable to owners of the Company)	**(1,751,863)**	480,904

	2023	2022
Number of shares	***'000***	*'000*
Weighted average number of ordinary shares for the purpose of basic earnings per share	**2,769,188**	2,769,188

No diluted earnings per share for both years were presented as there were no potential ordinary shares in issue for both years.

14. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2023	2022
	RMB'000	*RMB'000*
Trade receivables in respect of contracts with customers		
– due from related parties	**52,369**	66,677
– due from independent third parties	**190,701**	353,598
	243,070	420,275
Less: Allowance for credit losses	**(16,596)**	(18,490)
Trade receivables, net of allowance for credit losses	**226,474**	401,785
Other receivables		
– due from related parties (note i)	**7,539,024**	8,930,606
– due from non-controlling shareholders	**5,018,956**	6,197,939
– due from independent third parties (note ii)	**6,273,646**	5,165,054
– consideration receivable due from a related party	**202,365**	202,365
– consideration receivable due from an independent third party	**285,049**	285,049
	19,319,040	20,781,013
Less: Allowance for credit losses	**(963,494)**	(771,126)
Other receivables, net of allowance for credit losses	**18,355,546**	20,009,887
Advance payments to		
– independent third parties contractors	**1,578,840**	1,199,608
– related parties	**229,983**	317,029
	1,808,823	1,516,637
Deposits paid for acquisitions of land parcels for development	**465,120**	465,120
Other tax prepayments (note iii)	**1,544,365**	2,492,043
Total	**22,400,328**	24,885,472

As at 1 January 2022, trade receivables from contracts with customers amounted to RMB419,947,000.

Notes:

(i) Other receivables due from related parties are unsecured and repayable on demand.

(ii) Other receivables due from independent third parties are expected to be settled or recovered within one year.

(iii) Other tax prepayments mainly represent prepayment of value-added tax, tax surcharge during the pre-sale stage of certain properties.

In general, the Group provides no credit term to its customers for property sales, but the Group provides credit terms to its major customers with specific approval. As at 31 December 2023, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB46,783,000 (2022: RMB104,791,000) which are past due as at the reporting date. Out of the past due balances, RMB38,954,000 (2022: RMB46,924,000) has been past due 90 days or more and is not considered as in default since the directors of the Group considered such balances could be recovered based on repayment history, the financial conditions and the current credit worthiness of each customer.

The following is an aged analysis of trade receivables, net of allowance for credit losses, presented based on the invoice dates:

	2023	2022
	RMB'000	*RMB'000*
0–90 days	**25,401**	141,556
91–180 days	**6,391**	5,084
181–365 days	**6,830**	25,415
Over 365 days	**187,852**	229,730
	226,474	401,785

15. TRADE AND OTHER PAYABLES

	2023	2022
	RMB'000	*RMB'000*
Trade payables		
– due to related parties	**1,382,551**	1,595,105
– due to non-controlling shareholders	**990**	3,202
– due to independent third parties	**25,869,047**	25,734,102
	27,252,588	27,332,409
Non-trade payables due to related parties	**7,527,942**	7,250,866
Other taxes payable	**1,565,673**	1,787,413
Interest payable	**316,198**	198,776
Consideration payable due to Greenland Holdings	**953,759**	953,759
Amount due to non-controlling shareholders	**5,055,767**	5,264,529
Other payables and accrued expenses	**11,730,485**	13,315,977
	27,149,824	28,771,320
	54,402,412	56,103,729

The following is an aged analysis of trade payables presented based on the invoice date:

	2023	2022
	RMB'000	*RMB'000*
0-90 days	**19,424,554**	18,826,085
91-180 days	**346,095**	578,035
181-365 days	**1,636,312**	2,290,710
Over 365 days	**5,845,627**	5,637,579
	27,252,588	27,332,409

Trade and other payables are mainly unsecured and repayable on demand.

16. PERPETUAL SECURITIES

On 27 July 2016 (the "Issue Date"), the Group issued USD denominated senior perpetual capital securities ("Perpetual Securities") with an aggregate principal amount of USD120,000,000. The Perpetual Securities confer the holders a right to receive distributions at the applicable distribution rate from the Issue Date payable semi-annually in arrears in USD.

The Perpetual Securities only impose contractual obligations on the Group to repay principal or to pay any distributions under certain circumstances which are at the Group's discretion, they have in substance confer the Group an unconditional right to avoid delivering cash or other financial asset to settle contractual obligations. As a result, the whole instrument is classified as equity, and distributions if and when declared are treated as equity dividends.

As disclosed in the annual report for the year ended 31 December 2016, the rate of distribution applicable to the Perpetual Securities shall be:

- in respect of the period from, and including, the Issue Date to, but excluding the 5th anniversary from the Issue Date (the "First Call Date"), 5.625% per annum; and

- in respect of the periods (a) from, and including, the First Call Date to, but excluding, the immediately following reset date and (b) from, and including, each reset date falling after the First Call Date to, but excluding, the immediately following reset date, a rate of interest expressed as a percentage per annum equal to the sum of (1) 4.50 per cent, (2) treasury rate; and (3) 5.00 per cent. A reset date is defined as the First Call Date and each day falling on the expiry of every five calendar years after the First Call Date. The treasury rate refers to the prevailing rate that represents the average for the week immediately prior to the date on which the reset is calculated as published by the Board of Governors of the U.S. Federal Reserve.

The Group applied a 10.21% rate of distribution applicable to the Perpetual Securities from the First Call Date to the 31 December 2023.

Distribution of USD12,252,000 (equivalent to RMB86,336,000) (2022: USD12,252,000 (equivalent to RMB82,343,000)) has been provided by the Company for the year.

I. INDUSTRY REVIEW

In 2023, the first year of its post-COVID-19 recovery, China saw its annual investment in real estate development declined by 9.6% year-on-year, with investment in residential property falling by 9.3%, according to China's National Bureau of Statistics. Funds received by real estate development enterprises fell by 13.6% year-on-year, indicating a serious downturn in investment in the nation's real estate industry. In 2023, China's real estate market suffered serious crisis and challenges due to the weaker-than-expected recovery of the real estate industry, the continuing spread of the debt crisis, weakened consumer confidence, sluggish home sales, soaring housing inventory and significant changes in the supply and demand patterns in the real estate market. Government departments at all levels made frequent moves to optimize property market policies to foster the stable operation of the real estate market, with a view to boosting market confidence.

The annual economic work direction for 2023 emphasized ensuring the stable development of the real estate market, guaranteeing property delivery, guaranteeing people's livelihood and guaranteeing stability, catering to the reasonable financing needs of the industry, fostering industry restructuring, mergers and acquisitions, supporting the rigid and upgraders' housing demand, exploring the development of the long-term leasing market, and stressing the importance of adherence to the positioning of "no speculation on residential properties".

In July 2023, the Political Bureau of the Central Committee of the Communist Party of China proposed "to adapt to the new situation of significant changes in the supply and demand patterns in China's real estate market, and adjust and optimize real estate policies in a timely manner" in setting the tone for the real estate market, whereby real estate policies transited from supporting real estate enterprises at the supply side to massively favoring home buyers at the demand side, to foster the stable and healthy development of the real estate market. Relevant policies included broadening the definition of first-time buyers to include those who have mortgage records but no longer own a local home, lowering down payment, lowering interest rates and relaxing restrictions on purchases and so forth, thereby further optimizing the real estate control policies. Generally speaking, there were certain positive changes in the real estate market in 2023 under the support of various policies, but the overall downward trend of the industry could not yet be reversed, and the market was yet to show significant recovery.

II. BUSINESS REVIEW

Results

In 2023, the real estate industry continued to undergo vast adjustments and the real estate market experienced a return from the era of scale expansion to the era of product competitiveness. The Group made adjustments to its strategies in a timely manner and, on the keynote of focusing on destocking and innovative sales and marketing, the Group pragmatically fostered loss reduction and efficiency enhancement in its projects and improved the level of refined management, with prudent financial management to strengthen risk control and foster high-quality corporate development.

During the year under review, Greenland HK won a total of 19 industry awards, including 5 international awards and 14 domestic awards. In response to the issue of "carbon peaking and carbon neutrality" and combining the richness of architecture with the beauty of life, Greenland HK's first intelligent construction project and first demonstration project of low-carbon construction, namely Yancheng Dafeng Distellery Demonstration Center, was awarded the highest honor in the category of Public Buildings and Industrial Buildings in the 10th Architectural Creation Award of the Architectural Society of Shanghai China. Greenland HK adhered to the quality of fine craftsmanship, constantly upgrading technology and construction control, so that the products continued to maintain variable and long-lasting vitality, thereby practising the "sustainable development" of quality and beauty with actual deeds and helping the enterprise to continuously improve its brand reputation.

For the twelve months ended 31 December 2023 (the "**Year under Review**"), the total contracted sales of the Group amounted to approximately RMB18,361 million, and the total contracted gross floor area (the "**GFA**") sold amounted to approximately 1,667,345 square meters. The total revenue was approximately RMB24,933 million, representing a decrease of approximately 6.3% from the same for last year. The net loss attributable to the owners of the Group amounted to approximately RMB1,752 million, representing a decrease of approximately 464%. The basic loss per share attributable to the owners of the Group was RMB0.63. The board does not recommend payment of final dividend for the twelve months ended 31 December 2023.

During the Year under Review, the total GFA of the sold and delivered projects was 1,819,832 square meters, representing a decrease of approximately 22% from the same for last year. Average selling price was approximately RMB12,952 per square meter. The total revenue from property sales was approximately RMB23,800 million, representing a decrease of approximately 7.3% from the same for last year. The main projects completed and delivered in 2023 are as follows:

Item	**City**	**Approximate GFA sold and delivered in 2023**	**Approximate sales recognized in 2023**	**Average selling price**
		sq.m.	*RMB'000*	*RMB/sq.m.*
Property	Guangzhou	136,479	4,260,327	31,216
	Kunming	324,031	3,727,976	11,505
	Suzhou	190,044	3,170,060	16,681
	Changzhou	170,930	3,101,253	18,143
	Wuxi	158,785	2,205,234	13,888
	Hangzhou	95,868	1,983,208	20,687
	Nanning	204,803	1,459,281	7,125
	Nantong	43,603	579,365	13,287
	Yangjiang	93,622	489,536	5,229
	Foshan	52,210	446,497	8,552
	Qinzhou	82,442	390,543	4,737
	Jiaxing	37,497	256,895	6,851
	Zhenjiang	28,188	235,250	8,346
	Jiangmen	69,118	225,332	3,260
	Haikou	16,182	200,997	12,421
	Jieyang	31,490	171,771	5,455
	Zhanjiang	22,792	164,357	7,211
	Qingyuan	23,793	159,338	6,697
	Maoming	17,937	95,765	5,339
	Yiwu	3,899	85,378	21,896
	Shenzhen	3,860	61,255	15,870
	Shantou	5,184	35,860	6,918
	Others	7,075	64,206	9,075
	Sub-total	**1,819,832**	**23,569,684**	**12,952**

Item	City	Approximate sales recognized in 2023 *RMB'000*
Carparking lot	Foshan	91,398
	Kunming	49,145
	Jiaxing	24,883
	Wuxi	18,459
	Maoming	15,146
	Guangzhou	9,455
	Haikou	6,359
	Changzhou	5,749
	Shantou	3,110
	Yangzhou	2,211
	Shanghai	2,181
	Zhanjiang	1,364
	Others	1,035
	Sub-total	**230,495**
	Total	**23,800,179**

Contracted Sales

During the Year under review, in the face of multiple challenges in the external environment, the Group carried out detailed planning and layouts, continued to actively develop high-quality projects, focused on resource integration, and achieved precise pricing strategies and project positioning.

During the Year under Review, the contracted sales of the Group amounted to approximately RMB18,361 million, with the contracted GFA sold amounting to 1,667,345 sq.m., living up to expectation in the overall sales performance. The contracted sales of the Group were mainly derived from projects located in key regions such as Guangdong, Jiangsu, Zhejiang and Guangxi, which accounted for approximately 36%, 35%, 16% and 9% of the total contracted sales respectively. Contracted average selling price for the period was approximately RMB11,012/sq.m..

Maintaining Sound Delivery and Operating Capability

During the Year under Review, the Group endeavored to coordinate its resources to foster the delivery of housing and maintained sound delivery and operating capability. In adherence to the central government's call for "guaranteeing property delivery, guaranteeing people's livelihood and guaranteeing stability", the Group expedited completion and delivery of its projects, and maintained its comprehensive strengths and showcased its ongoing operating capability. In 2023, the projects delivered by Greenland HK won positive comments from the community and property owners in respect of its quality.

Adhering to the main line of "creating a better lifestyle", the Group has created six series of IP products with Greenland HK's own character: Health Care Series, Cultural Tourism Series, Artistic Residence Series, TOD Series, Ultra-high-rise Series, and Experimental Commerce Series. The Group was committed to the pursuit of ultimate product quality, making quality as its exclusive IP. With the innovative "Transparent House", the Group presented the construction process, the protection of the finished products, building materials and inspection standards in the projects to the customers in the most realistic way. From pre-delivery to post-delivery, it formed a "1+2+4" delivery control system, showcasing craftsmanship and setting delivery standards, thereby boosting customers' confidence.

Meanwhile, the Group focused on solidifying the integration and promotion of new media platforms, uplifting online advertising, reshaping its innovative business model, and creating value for customers. By means of the online interactions and functionalities to improve customer cohesion, the Group in turn channeled customers to our offline platforms to drive its property sales.

The Group also focused on the comprehensive analysis of its inventories to foster the marketability adjustment of a batch of projects. That included the market launches of products packaged in the form of discounted offerings, as well as implementation of product positioning for a batch of existing projects. In addition, the Group attached importance to promoting product quality, with the further optimization and enhancement of display areas so that the quality of delivery can be showcased to customers well beforehand to boost customers' confidence in their purchases.

Regarding cost reduction and efficiency enhancement, the Group strove to take care of a number of factors in the construction, technology development and materials costs of its projects under construction. Construction practices and node formation had been streamlined. Catering to the acceptance criteria in different regions, the Group further optimized the costs incurred in different projects by means of optimization of drawing, materials and craftsmanship and so forth, which effectively contributed to cost reduction and efficiency enhancement.

Under the sluggish market environment, Greenland HK was committed to product competitiveness, strengthening its marketing plans for its products and excelling in product brand promotion.

Long-term Leasing Business

In 2023, based on a long-term perspective and seeking stability and innovation, Greenland HK achieved good development in its integrated businesses in strategic "new arenas" such as long-term leasing, agent construction, commercial, property and so forth, and delivered dual growth in scale and efficiency, which contributed to the Company's overall positive operation.

"Elite Home", the Group's long-term leasing housing brand, is a leading and innovative apartment leasing management platform in China. For this long-term leasing business, we have stepped up our efforts in investing and expanding in new projects, and have established our presence in five cities, namely Shanghai, Nanjing, Hangzhou, Guangzhou and Shenzhen. Among them, the occupancy rate of the Nanjing project exceeded 90% in the first month of operation, which was a testimony of the recognition from the property owners and the market. In March, the geographical coverage of the "Elite Home" expanded further, by signing contracts for setting its presence in a prime location in a high-tech industrial park in Nanjing. Greenland's "Elite Home" closely follows the development strategy of "cultivating the first-tier cities of Beijing, Shanghai, Guangzhou and Shenzhen, and focusing on regional core cities", and the strategy relating to the Yangtze River Delta has been further consolidated. The new project offers a total of more than 400 units, with numerous commercial facilities in the neighborhood. "Elite Home" provides full-cycle and effective management services covering "consulting + operation + technology + service".

Commercial Operation

Greenland HK adheres to the dual drive of "real estate + commerce", focusing on unlocking the commercial value of youth, fashion, trendiness and humanity, and solidifying the refined management of commercial planning and positioning, tenant sourcing operation, marketing and property management. With the notion of product lines as the starting point for regulated, standardized and professional development, we created innovative product lines with a consumer-oriented approach, and developed our business in adherence to the "products + services + operation" concept. On 24 November, Greenland HK's Nanning Dongmeng Colorful Lane Commercial Street Phase I was grandly opened, launching the fireworks music festival x anchor stores inaugural activities on the same day. On 30 November, the commercial center of Greenland Guangqing International City, namely Guangqing Greenland Colorful Lane, was duly delivered, and the trial commercial operation was grandly kicked off at the same time.

In April 2023, "Yiwu Greenland Epoch Gate", the benchmark commercial project of Greenland HK, was completed and opened, becoming a milestone flagship project of Greenland HK. As a signature of urban renewal, Yiwu Greenland Epoch Gate, being a brand new endorsement project of the historical lineage and cultural trend with a GFA of 56,400 sq.m., 190 brand offerings and a tenant occupancy rate of up to 91.36% at its inaugural operation, adopts the artisanal form of blending the commercial architecture and local culture to refresh the core landmark of Yiwu and create a commercial space of new experience for consumers, to continue the city's cultural lineage and integrate into the residents' quality of life, and to give full impetus to the high-quality development of the commercial business of Greenland HK. In October 2023, Suzhou Global 188 Shopping Center was opened after a second renewal with an upgraded business format and an opening rate of 91%. Through continuous commercial practice, Greenland HK has gradually expanded its asset management scale and business coverage, covering the Yangtze River Delta and the Greater Bay Area.

Property Services

SPG Property, a property services arm of Greenland HK, brought forth 9 additional external projects during the year, involving government entities, offices, industrial parks, high-end residences and so forth, with an additional GFA under management of 1.64 million sq.m.. It assisted our real estate business in completing house delivery, effectively enhancing the standardization and regularity of delivery and ensuring efficient delivery. In 2023, SPG Property under Greenland HK launched the "Quality Renewal, Service Renewal" initiative, and undertook a total of 19 projects, completing 312 items of renovation; offering 71 service items for the convenience of users in a total of 6,559 sessions, and serving 90,000+ customer visits.

Land Bank

In 2023, Greenland HK continued to deepen its development in the Yangtze River Delta and the Greater Bay Area, focusing on first-tier cities to enhance its regional operational capabilities, and also adopted a prudent investment strategy to strive for long-term stable development.

As at 31 December 2023, the Group held an abundant high-quality land bank of approximately 19 million sq.m., mainly located in core cities, which is sufficient to support our development in the next few years.

Outlook

In December 2023, in the face of the current economic situation, the Central Economic Work Conference proposed to adhere to the principles of seeking progress amidst stability, promoting stability through progress, and "building up before breaking down". The Central Economic Work Conference clearly pointed out that in 2024, the focus shall be on promoting high-quality development by working on nine tasks, which, among other things, proposed that risks relating to real estate should be actively and properly resolved, and the reasonable financing needs of real estate enterprises should be satisfied without discrimination against any form of ownership, with a view to fostering the stable and healthy development of the real estate market.

In 2024, it is clear and firm that the economy and the real estate industry of China is on an upward trend, and a stable and healthy real estate market is an unshakeable cornerstone for economic development. Therefore, under the unified deployment of the holding group, Greenland HK will continue to deepen its reforms and holistically promote business transformation and upgrading. In accordance with the development strategy of "1+2+3+X" for the next five years, Greenland HK will precisely implement measures in four aspects, namely, "optimizing the structure, excelling in its core business, strengthening coordination and diversifying development": the real estate business will focus on the "3+3" work tasks, focus on efforts in specific areas, make every effort to reverse the situation, and reshape its development momentum; the two businesses of smart manufacturing (agent construction) and property improvement services will develop in a coordinated manner; the three businesses of commerce, property and long-term leasing will develop rapidly; and other businesses such as cultural tourism will start to develop, thereby seizing market opportunities, proactively fostering market-oriented expansion, improving the refinement of the management and pushing forward the continuous enhancement of business scale and operating efficiency. We will further improve our management level and efficiency and constantly gather strengths to become a vanguard of Greenland's high-quality development and a pioneer of its innovative transformation.

FINANCIAL PERFORMANCE

Revenue

The total revenue of the Group for year 2023 was approximately RMB24,933 million, representing a decrease of approximately 6.3% from approximately RMB26,614 million for the year of 2022, mainly due to the decrease in the recognised GFA of properties delivered by the Group.

Sales of properties, as the core business activity of the Group, generated revenue of approximately RMB23,800 million in 2023 (2022: approximately RMB25,677 million), accounting for approximately 95% of the total revenue and representing a decrease of approximately 7% from the same for last year. The revenue of the Group from other segments included income from hotel operation, income from property management and other services, and rental income.

	2023	2022	Change
	RMB'000	*RMB'000*	RMB'000
Sales of properties	**23,800,179**	25,677,380	(1,877,201)
Property management and other services	**800,428**	617,241	183,187
Hotel and related services	**61,102**	61,227	(125)
Rental income	**270,956**	258,469	12,487
Total	**24,932,665**	26,614,317	(1,681,652)

Cost of Sales

Cost of sales amounted to approximately RMB22,363 million, a decrease of approximately 1% from approximately RMB22,516 million for the year of 2022. The cost of sales mainly comprised land costs, construction costs, capitalized finance costs and sales tax.

Gross Profit and Gross Profit Margin

Gross profit decreased from approximately RMB4,099 million for the year of 2022 to approximately RMB2,570 million for this year, mainly due to the continued downturn of the real estate market. The gross profit margin decreased from 15% to 10% for this year.

Other Income, Other Gains and Losses, and Other Operating Expenses

Other income, other gains and losses, and other operating expenses increased to a loss of approximately RMB161 million for the year of 2023 from a loss of approximately RMB71 million for the year of 2022, mainly due to the foreign exchange loss during the Year under Review.

Operating Expenses

Due to the efficient management over expenditure control of the Group, administrative expenses and selling and marketing costs decreased to approximately RMB498 million and approximately RMB660 million respectively, representing a decrease of approximately 20% and 23% from the same for the previous year respectively. In 2022, they were approximately RMB621 million and approximately RMB856 million respectively.

Finance Costs

Finance costs decreased from approximately RMB132 million for the year of 2022 to approximately RMB100 million for the year of 2023.

Fair Value Change of Investment Properties

As at 31 December 2023, the Group's investment properties mainly comprise Yiwu Greenland Epoch Gate, Shanghai Greenland Seaside City, Holiday Inn Shanghai Pudong Kangqiao, Suzhou Global 188, Suzhou Greenland Jiangnan Huafu, Jiaxing Greenland Central Plaza, Nanning Greenland Center, Nanning Greenland Central Plaza, etc. The Group recorded fair value loss on investment properties of approximately RMB1,015 million for the year of 2023 due to market fluctuation.

Income Tax Expenses

Income tax expenses decreased by approximately 21% from approximately RMB1,489 million for the year of 2022 to approximately RMB1,169 million for the year of 2023, which was mainly due to the decrease in revenue in 2023.

(Loss) Profit for the Year and (Loss) Profit Attributable to Owners of the Company

Loss for the year and loss attributable to owners of the Company amounted to approximately RMB1,769 million and RMB1,752 million respectively, representing a decrease of approximately 327% and 464% from a profit of approximately RMB780 million and RMB481 million respectively in 2022. It was mainly due to the fact that (i) the decrease of the properties delivered and the decrease in gross profit margin for the real estate business recognized; and (ii) fair value loss of investment properties.

Financial Position

As at 31 December 2023, the Group's total equity was approximately RMB20,058 million (31 December 2022: approximately RMB23,212 million), total assets amounted to approximately RMB128,236 million (31 December 2022: approximately RMB149,651 million) and total liabilities amounted to approximately RMB108,178 million (31 December 2022: approximately RMB126,438 million).

Liquidity and Financial Resources

The Group's business operations, bank borrowings and cash proceeds raised have been the primary source of liquidity of the Group, which have been utilized to fund its business operations and project investment and development.

As at 2023, net gearing ratio (total borrowings less cash and cash equivalents (including restricted cash) divided by total equity) was approximately 58% (31 December 2022: 48%). Total cash and cash equivalents (including restricted cash) amounted to approximately RMB2,840 million, with total borrowings of approximately RMB14,401 million and an equity base of approximately RMB20,058 million.

Treasury Policy

The business transactions of the Group were mainly denominated in RMB. Apart from fund raising transactions conducted in the capital market, there is limited exposure to foreign exchange risk.

The Group has borrowings denominated in United States dollars and Hong Kong dollars, while its operating income is mainly denominated in RMB. The Group will continue to monitor the trend of exchange rate of RMB to United States dollars, and adopt appropriate measures to hedge against the risk in foreign currency exchange.

The Group has established a treasury policy with the objective of enhancing its control over treasury functions and lowering its capital costs. In providing funds to its operations, terms of funding have been centrally reviewed and monitored at the Group level.

In order to minimize its interest risk, the Group continued to closely monitor and manage its loan portfolio through interests stipulated in its existing agreements which varied according to market interest rates and offers from the banks.

Credit Policy

Trade receivables mainly arose from sales and lease of properties and were settled in accordance with the terms stipulated in the sale and purchase agreements and lease agreements.

Pledge of Assets

In 2023, the Group pledged its properties under development, completed properties held for sale and investment property with carrying amount of approximately RMB33,519 million to secure bank facilities, and the outstanding balance of the secured loan amounted to approximately RMB13,159 million.

Financial Guarantees

As at 31 December 2023, the Group provided guarantees to banks for:

	31 December 2023 *RMB'000*	31 December 2022 *RMB'000*
Mortgage	**18,546,610**	25,598,816

Capital Commitments

	31 December 2023 *RMB'000*	31 December 2022 *RMB'000*
Property development business:		
– Contracted but not provided for	**12,888,702**	19,278,666

Human Resources

As at 2023, the Group employed a total of 2,775 employees (2022: 3,014 employees), among which 1,185 employees worked for the property development business. The Group has adopted a performance-based rewarding system to motivate its employees. In addition to a basic salary, year-end bonuses are offered to employees with an outstanding performance. The Group also provides various training programs to improve their skills and develop their respective expertise.

FINAL DIVIDEND

The board (the "**Board**") of directors of the Company (the "**Directors**") has resolved not to recommend any dividends in respect of the year ended 31 December 2023.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The annual general meeting (the "**AGM**") of the Company will be held on Thursday, 27 June 2024. A notice convening the AGM will be published and despatched in due course to the Shareholders in the manner required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). The register of members of the Company will be closed from Monday, 24 June 2024 to Thursday, 27 June 2024 (both days inclusive), during which period no transfer of shares will be effected. In order to determine the entitlement to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged 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 for registration not later than 4:30 p.m. on Friday, 21 June 2024.

CORPORATE GOVERNANCE

For the year ended 31 December 2023, the Company had complied with the code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Part 2 of Appendix C1 to the Listing Rules, except for code provisions C.2.1 and F.2.2 as described below. Code provision C.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. From 1 January 2023 to 15 June 2023, Mr. CHEN Jun had undertaken the role of both chairman of the Board and chief executive officer of the Company. The Board considers that the combination of the roles is conducive to the efficient formulation and implementation of the Group's strategies and policies and such combination has not impaired the corporate governance practices of the Group. The balance of power and authority is ensured by the management of the Company's affairs by the Board which meets regularly to discuss and determine issues concerning the operations of the Group. Code provision F.2.2 stipulates that the chairman of the Board should attend the AGMs. The chairman of the Board did not attend the AGM held on 30 June 2023 due to other business commitments.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2023.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this preliminary announcement, no important events affecting the Group have occurred since the end of the financial year ended 31 December 2023.

REVIEW OF AUDITED ANNUAL RESULTS

The audit committee of the Company has reviewed the accounting principles and practices adopted by the Company and discussed matters with the external auditor and the management of the Company concerning the audit, internal control and risk management systems and financial reporting matters, including reviewing the Group's results for the year ended 31 December 2023.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2023 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 28 March 2024. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

AUDIT OPINION

The consolidated financial statements have been audited by the Group's auditor, Messrs. Deloitte Touche Tohmatsu. The independent auditor has issued an unmodified audit opinion with a Material Uncertainty Related to Going Concern section in the auditor's report on the Group's consolidated financial statements for the year ended 31 December 2023. An extract of the independent auditor's report is set out in the section headed "EXTRACT OF THE AUDITOR'S REPORT" below.

EXTRACT OF THE AUDITOR'S REPORT

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 ("**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material Uncertainty Related to Going Concern

We draw attention to Note 3 to the Consolidated Financial Statements which indicates that as at 31 December 2023, the Group had interest-bearing loans of RMB7,500 million which were repayable within one year from the end of the reporting period, while its bank balances and cash amounted to RMB1,718 million. In addition, as at 31 December 2023, the Group had not repaid certain interest-bearing loans of RMB1,709 million according to their scheduled repayment dates. These circumstances indicate that the Group's operations and liquidity are under stress, and it is possible that the Group may not have sufficient working capital to operate if measures are not taken to improve the Group's cash position. As stated in Note 3, the directors of the Company have adopted a number of plans and measures to alleviate the liquidity pressures, however, given the volatility of the property sector in the People's Republic of China, there is a material uncertainty as to whether the Group's management will be able to achieve these plans and measures, and this uncertainty may cast significant doubt about the Group's ability to continue as a going concern. Our opinion remains unchanged in respect of this matter.

The aforesaid "note 3 to the consolidated financial statements" in the extract from the Auditor's Report is disclosed as note 3 to this announcement.

PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT

This preliminary announcement is published on the HKEXnews website at www.hkexnews.hk and the Company's website at www.greenlandhk.com. The 2023 annual report will be published on the aforesaid websites, and be despatched to the Shareholders in April 2024.

By Order of the Board
Greenland Hong Kong Holdings Limited
Chen Jun
Chairman

Hong Kong, 28 March 2024

As at the date of this announcement, the executive directors of the Company are Mr. Chen Jun, Mr. Wang Weixian, Mr. Hou Guangjun, Mr. Wu Zhengkui, Ms. Wang Xuling and Dr. Li Wei; and the independent non-executive Directors are Mr. Fong Wo, Felix, JP, Mr. Kwan Kai Cheong and Dr. Lam, Lee G., JP.