

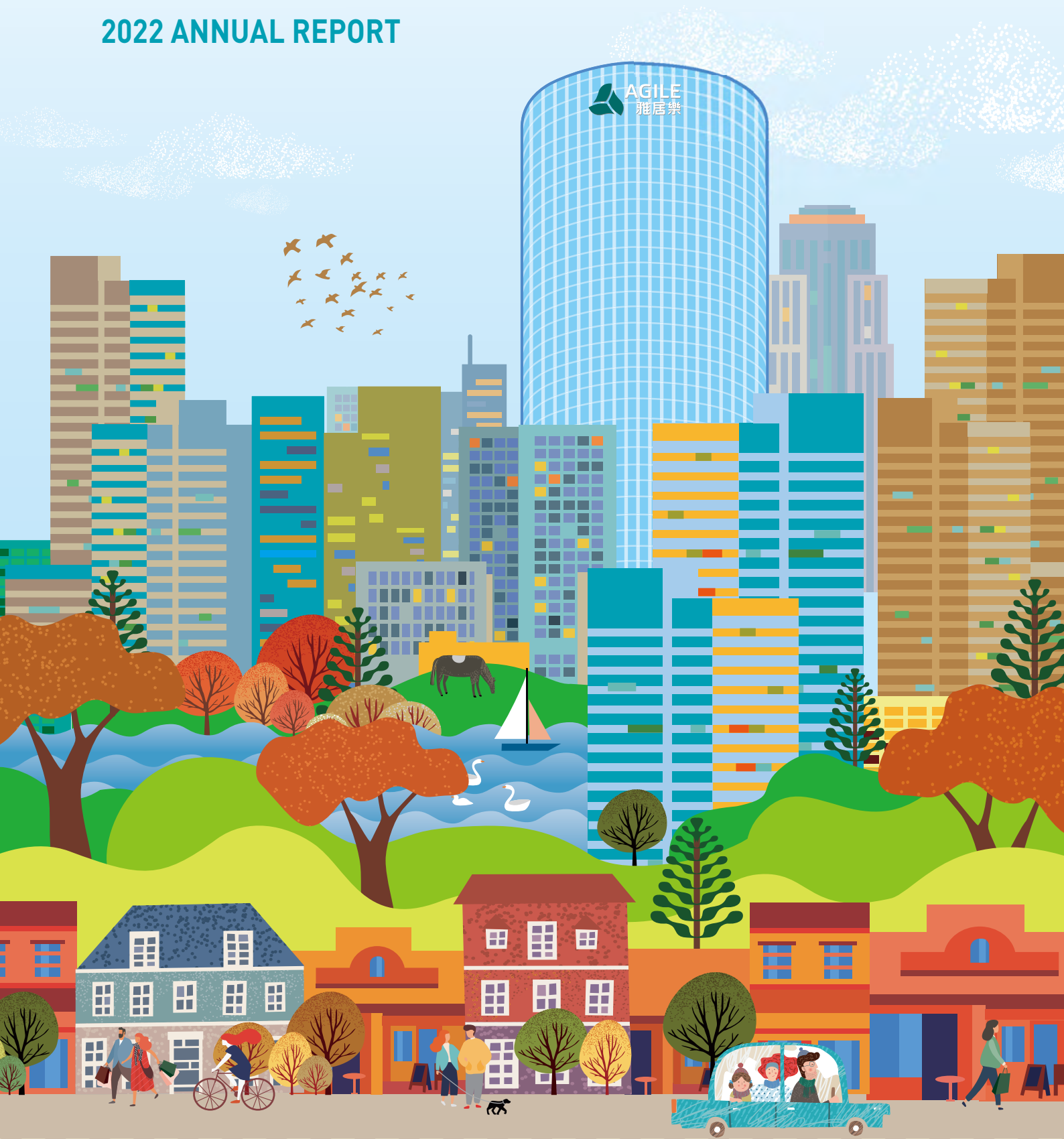


AGILE GROUP HOLDINGS LIMITED

雅居樂集團控股有限公司

(Incorporated in the Cayman Islands with limited liability) Stock Code: 3383

2022 ANNUAL REPORT





CORPORATE PROFILE

Agile Group Holdings Limited (Stock Code: 3383) and its subsidiaries are principally engaged in the development of large-scale mixed-use property projects, with extensive presence in the businesses such as property management, environmental protection and construction. As a renowned brand in China, the Group has established diversified businesses in various cities and districts in China and overseas. As at 31 December 2022, the Group has a land bank with a total planned GFA of 40.16 million sq.m..

The shares of Agile have been listed on the Main Board of Hong Kong Stock Exchange since 2005, and currently are constituent stocks of Hang Seng Composite Index, Hang Seng Composite Industry Index – Properties & Construction, Hang Seng Composite MidCap Index, Hang Seng Composite LargeCap & MidCap Index, Hang Seng SCHK ex-AH Companies Index, Hang Seng Stock Connect Hong Kong Index, Hang Seng Stock Connect Greater Bay Area Index, Hang Seng Stock Connect Greater Bay Area Guangzhou-Foshan-Zhaoqing Index, Hang Seng China High Dividend Yield Index and Morgan Stanley Small Cap (China) Index.



CONTENTS

2	Financial Highlights	61	Corporate Governance Report
4	Milestones 2022	86	Report of the Directors
6	Major Honours and Awards	102	Independent Auditor's Report
10	Chairman's Statement	108	Consolidated Statement of Profit or Loss
16	Management Discussion and Analysis	109	Consolidated Statement of Comprehensive Income
28	Property Development	110	Consolidated Statement of Financial Position
30	Business Overview	112	Consolidated Statement of Changes in Equity
32	Project Overview	114	Consolidated Statement of Cash Flows
34	Land Bank Table	117	Notes to the Consolidated Financial Statements
48	Diversified Businesses	255	Five-year Financial Summary
52	Investor Relations	257	Corporate Information
54	Directors' Profile	262	Glossary
59	Senior Management's Profile		





Consolidated Statement of Profit or Loss Highlights

	For the year ended 31 December		
	2022	2021	Change
Revenue (RMB million)	54,034	73,028	-26.0%
Gross profit (RMB million)	1,001	19,021	-94.7%
Gross profit margin	1.9%	26.0%	-24.1 percentage points
Net (loss)/profit (RMB million)	(13,373)	9,098	-247.0%
Net (loss)/profit margin	(24.7%)	12.5%	-37.2 percentage points
(Loss)/profit attributable to shareholders of the Company (RMB million)	(14,981)	6,712	-323.2%
Basic (loss)/earnings per share (RMB)	(3.827)	1.729	-321.3%

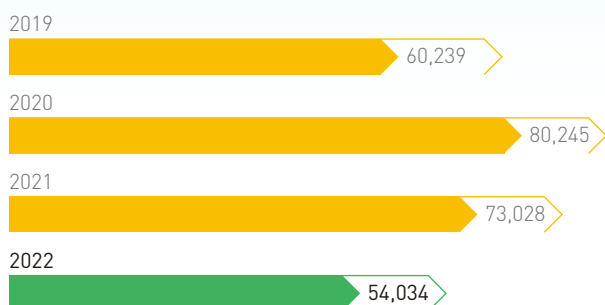
Consolidated Statement of Financial Position Highlights

	As at 31 December		
	2022	2021	Change
Total assets (RMB million)	273,382	316,560	-13.6%
Cash and cash equivalents (RMB million)	8,463	22,803	-62.9%
Restricted cash (RMB million)	7,628	15,618	-51.2%
Short-term borrowings (RMB million)	24,027	29,580	-18.8%
Long-term borrowings (RMB million)	35,459	54,294	-34.7%
Shareholders' equity (RMB million)	40,446	54,239	-25.4%
Return on equity (ROE)	-37.0%	12.4%	-49.4 percentage points
Total debt/total assets	21.8%	26.5%	-4.7 percentage points
Net debt/total equity	57.3%	50.8%	+6.5 percentage points



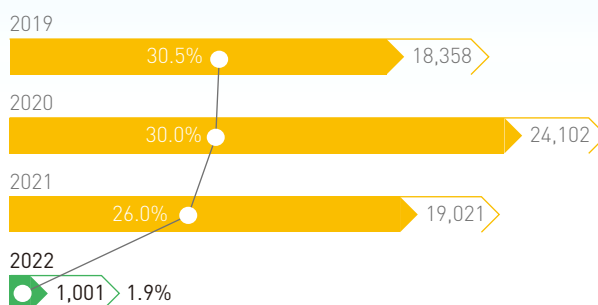
Revenue

(RMB million)



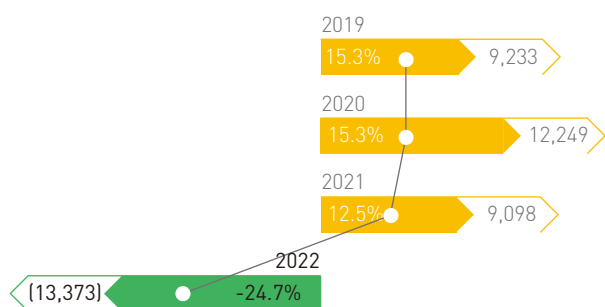
Gross profit and gross profit margin

(RMB million/%)



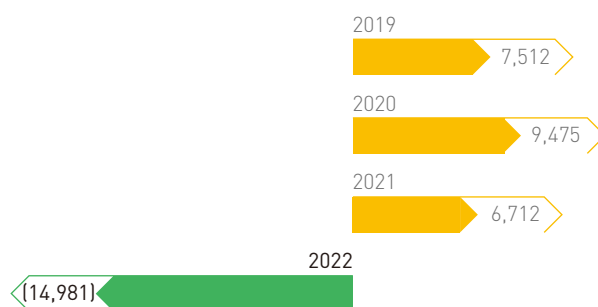
Net (loss)/profit and net (loss)/profit margin

(RMB million/%)



(Loss)/profit attributable to shareholders of the Company

(RMB million)



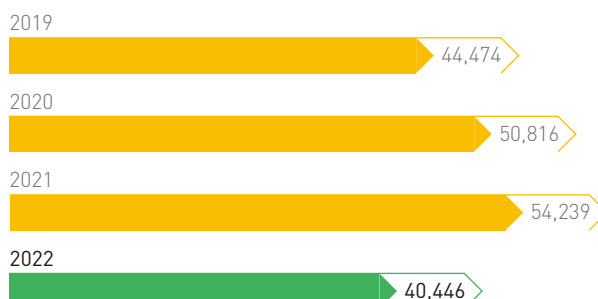
Total assets

(RMB million)



Shareholders' equity

(RMB million)





February

- Agile was granted The ESG Corporate Award 2021 – Titanium Award by The Asset

02

April

- A-Living was ranked the 3rd of the “2022 Top 100 Property Management Companies in China”

04



June

- Hainan Agile Real Estate Development Co., Ltd. received the Systematic Caring Unit Award (系統愛心單位獎) from Hainan Charity Federation

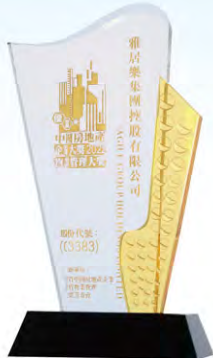


06



September

- Agile received the China Property Award of Supreme Excellence for 7 consecutive years



09

November

- Agile entered into the Strategic Cooperation Agreement with Agricultural Bank of China, Guangdong Branch



11



December

- Agile was ranked among the “21st (2022) Top 20 Financially Strong and Credible Property Enterprises in Guangdong (第二十一届(2022年度)广东地产资信20强)” for 21 consecutive years

December

- Agile Property Land Co., Ltd. received the honorable title of The Best Employer in Chinese Real Estate Industry for 2022



12

MAJOR HONOURS AND AWARDS



Environmental, Social and Governance

The ESG Corporate Award 2021 – Titanium Award

The Asset

Environmental Social Governance Awards

Capital magazine

2022 Ram Charan Management Practice Award

Harvard Business Review

Lai See Reuse and Recycle Program 2022

Greeners Action

Hong Kong Green Day 2022 Certificate of Appreciation – Bronze Award

Green Council





Investor Relations

Best Communication in Capital Markets Award

RoadShow Platform

2022 Investor Relations Award

Hong Kong Investor Relations Association

36th ARC International Annual Report Competition Honorary Award

MerComm.Inc

Corporate Brand

24th of the Top 500 Real Estate Development Enterprises in Comprehensive Strength

China Real Estate Association

129th of the Top 500 Private Enterprises in China

All-China Federation of Industry and Commerce

40th of the Top 100 Service Sector Private Enterprises in China

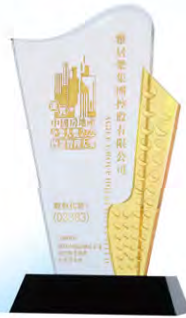
All-China Federation of Industry and Commerce

China Property Award of Supreme Excellence – 2022 Property Management Award

Organizing Committee of China Property Award of Supreme Excellence



排名	企业名称	品牌名称	品牌价值
1	碧桂园	碧桂园	1000.00
2	万科	万科	800.00
3	融创	融创	700.00
4	招商蛇口	招商蛇口	600.00
5	保利	保利	500.00
6	金地	金地	400.00
7	龙湖	龙湖	300.00
8	远洋	远洋	200.00
9	绿城	绿城	150.00
10	华润	华润	100.00
11	中海	中海	80.00
12	阳光	阳光	60.00
13	中南	中南	50.00
14	建发	建发	40.00
15	信达	信达	30.00
16	越秀	越秀	20.00
17	招商	招商	15.00
18	绿地	绿地	10.00
19	新城	新城	8.00
20	世茂	世茂	6.00



Agile's A-Home Series was ranked among the 2022 Top 10 Luxury Mansion Product Line in China

Leju Finance

Golden Cicada Cannes International Festival of Creativity – Golden Award

house.ifeng.com

2022 China Real Estate Robust Enterprise Award

ifeng.com

2022 Real Estate Value Top 100 "Value Brand Enterprise of the Year"

focus.cn

Influential Brand Enterprise of the Year 2022

Leju

2022 Brand of Choice

Tmall Haofang

Quality Delivery Enterprise

China.com.cn/house





2022 Resource Value Mansion

Chinatimes

Outstanding Short Video Communication Award

The Time Weekly

2022 Enterprise with Distinguished Deliverability

cnr.cn

Real Estate Enterprise with Outstanding Productivity 2022

hexun.com

2022 Super Productivity Conference TOP100

EH Consulting



The Group firmly believes in adhering to the business model of “focusing on property development, supported by a synergy of diversified businesses”. Through the efforts of all employees, the overall business will develop steadily, and further increase the brand awareness of Agile across the nation and maintain its position in the competitive market. Meanwhile, the Group will continue to uphold its promise in corporate social responsibilities by making contribution to society through participating in charitable activities.

CHEN Zhuo Lin

Chairman and President

Dear shareholders,

On behalf of the board of Directors (the “**Board**”) of Agile Group Holdings Limited (“**Agile**” or the “**Company**”) and its subsidiaries (the “**Group**”), I hereby present the consolidated results of the Group for the year ended 31 December 2022 as follows:

Results

During the year, the revenue and gross profit of the Group amounted to RMB54,034 million and RMB1,001 million respectively. The Group’s overall gross profit margin was 1.9%. The Group’s net loss and net loss attributed to shareholders of the Company for the year was RMB13,373 million and RMB14,981 million respectively.

During the year, the Group’s revenue from recognised sales of property development and diversified businesses was RMB37,426 million and RMB16,608 million, respectively, accounting for 69.3% and 30.7% of the total revenue. The proportion of revenue from diversified businesses increased by 10.7 percentage points when compared with last year. The rise reflects the sustained effectiveness of the Group’s operating model of “focusing on property development, supported by a synergy of diversified businesses”.





Market Review

During the year, the Board of Governors of the Federal Reserve System (the “**Federal Reserve**”) accelerated hiking the interest rate due to high inflations. The international situation was still complicated and severe due to the emergence of geopolitical tensions, such as the Russia-Ukraine conflict. In China, some areas were hit by the pandemic during March and April, but with effective national pandemic prevention and control implemented and achievements in the economic and social development secured, the macro economic situation was stabilised.

During the year, the Central Government continued to adhere to the long-term goal of “houses are for living in, not for speculation” and improve real estate regulation policies. In the first half of the year, under the policy approach of “formulating policies according to each city’s specific condition”, a series of policies were introduced on the demand side, including easier mortgage application for flat purchasers, shorter holding period before resale, easing restrictions on home purchase, lower proportion of down payment and lower home loan interest, etc. In the second half of the year, a series of policies regarding the financing of property developers were introduced on the supply side, which will accelerate mitigating and effectively prevent sectoral risks.



Stable Progress in Property Business With Orderly Projects Delivery

During the year, the aggregated pre-sale value of the Group, together with the joint ventures and associates of the Group as well as property projects carrying "Agile" brand name managed by the Group amounted to RMB65.23 billion, while the corresponding aggregated GFA presold and average selling price were 5.179 million sq.m. and RMB12,595 per sq.m. respectively. During the year, the Group has accomplished delivery of approximately 60,000 residential units in cities including Guangzhou, Foshan, Beijing and Shanghai, while the corresponding GFA was approximately 5.20 million sq.m.

Quality Land Bank and Inventory to Satisfy Future Sales Demand

As at 31 December 2022, the Group had a land bank with a total planned GFA of approximately 40.16 million sq.m. in 80 cities. The Group also continued to cultivate two major city clusters, namely the Guangdong-Hong Kong-Macao Greater Bay Area (the "Greater Bay Area") and the Yangtze River Delta. The Group held approximately 10.33 million sq.m. of land bank in the Greater Bay Area, which accounted for approximately 25.7% of its total land bank, with 49 development projects. In the Yangtze River Delta, the Group held 4.54 million sq.m. of land bank, which accounted for approximately 11.3% of its total land bank, with 44 development projects. In Hong Kong, the Group had two high-quality property projects, including the King's Road & Mount Parker Road Project and the Kowloon Tong Eastbourne Road Project, with an aggregate land bank of 20,389 sq.m..

The Group had a total of 4 projects under development in overseas, including 2 high-quality property projects in Malaysia, namely Agile Bukit Bintang Kuala Lumpur and Agile Embassy Garden Kuala Lumpur, and Agile Sky Residence Phnom Penh and the Project 88 under development in Phnom Penh, Cambodia and San Francisco, the United States, respectively. As at 31 December 2022, the Group held 421,016 sq.m. of land bank overseas, which accounted for approximately 1.0% of its total land bank.

The Group adopts a prudent yet proactive development strategy with China's property market as the main development location, complementing with prudent strategies for expansion in overseas markets.

Proportion of Revenue from Diversified Businesses Continues Increasing

In respect of diversified businesses, the Group's property management and others (including environment protection and commercial management) continued to generate synergies, and provided solid revenue for the Group. During the year, the contributions of revenue from property development business and revenue from diversified businesses were 69.3% and 30.7% respectively, in which, the contribution of revenue from diversified businesses increased by 10.7 percentage points when compared with last year, demonstrating the consistent results of the Group's "focusing on property development, supported by a synergy of diversified businesses" operating model.

A-Living actively responded to the challenges and changes in the industry and the market, refocused itself on its original aspiration to serve property owners

The property management sector was affected by the doldrums in both the macro economy and the upstream industries. Property management companies' operation and growth encountered challenges. As a result, the valuation of the entire sector was significantly adjusted. Due to the shrinking supply of new residential units, property management companies turned to the existing residential projects and non-residential properties service opportunities on the market, thus intensifying the competition. In the past five years, property management companies had been trying to gradually wean themselves off real estate companies for business and developing independently with a market-oriented approach, branding and specialisation. With capital as a catalyst, the property management sector underwent rapid consolidation and differentiation. As the industry became better regulated and underwent standardization, leading property management companies gradually focused on the quality of service as the essence of their business, and further improved quality and built up their brands as their fundamental strengths in response to the market-oriented competition and property owners' increasing demand and higher requirements.





A-Living actively responded to the challenges and changes in the market and the industry, refocused itself on its original aspiration to serve property owners, reviewed its own deficiencies in the course of development, took great efforts to remedy problems and ensure service quality, and sought to provide better services for property owners. Meanwhile, A-Living adjusted its business strategies in view of the situation, adhered to long-termism, and pursued high-quality, sustainable development. During the Year, the overall strength of A-Living was widely recognized and it ranked third among the "2022 Top 100 Property Management Companies in China".

As at 31 December 2022, the GFA under management and the contracted GFA of A-Living were approximately 545.8 million sq.m. and approximately 731.5 million sq.m. respectively, of which, approximately 56.9 million sq.m. were new GFA under management and approximately 68.4 million sq.m. were new contracted GFA. Third-party property projects accounted for 79.8% of the total contracted GFA.

Refined Operation and Improved Efficiency Make Environmental Protection Business Widely Recognised in the Industry

In 2022, the environmental protection business continued to reinforce itself for advancement, with production capacity fully released, refined management solidly promoted and project operation efficiency significantly improved. During the year, the revenue and collection of environmental protection business exceeded the annual indicators, and the overall collection rate reached a record high. The industrial park has made gratifying achievements while making rapid progress in construction.

During the year, the environmental protection business won the "Top 50 Environmental Enterprises in China" again and the "Annual Benchmark for Investment and Operation of Hazardous Waste Treatment" award issued by the E20 Environmental Platform, demonstrating industry's acknowledgement of the business's comprehensive strength.

Allotment of Shares in Agile and Decrease of Shareholding in A-Living to Enhance the Cash Flow of the Group

During the year, the Company made top-up placing and subscription of a total of 564 million shares of Agile in November and December, with a total of approximately HK\$1,400 million. As at 31 December 2022, the total issued share capital of the Company was 4,480,547,500 shares, of which the Chen's Family and directors of the Company accounted for approximately 65.56% of the total issued share capital of the Company.

During the year, the Group sold a total of 97.60 million H shares of A-Living in August and December, with a total of HK\$838 million. As at 31 December 2022, the Group accounted for approximately 47.44% of the total issued share capital of A-Living.

Making Reasonable Arrangement of the Repayment Scheme to Demonstrate Excellent Corporate Creditworthiness

A healthy financial position is the backbone of the Group's rapid business development. The Group continued its stable financial strategies, demonstrating excellent corporate creditworthiness and ability to repay debts.



During the year, the total debt of the Group further decreased by RMB24,388 million, such as redeeming the US\$500 million 6.7% senior notes due in March, fully repaying the balance of the 2018 syndicated loans of HK\$3,345 million and US\$60 million in May, redeeming the US\$200 million 5.125% senior notes and the US\$400 million 4.85% senior notes due in August respectively, and fully repaying the balance of the 2019 syndicated loans of HK\$720 million and US\$60 million.

In May, the Group repurchased and resold in full a portion with total principal of RMB692 million under RMB1.45 billion 5.9% public domestic corporate bonds due 2024 in China, redeemed RMB1.5 billion 6.2% non-public bonds in July and October, respectively, and repurchased senior asset-backed securities with total principal of RMB950 million in October.

Also, the Group has raised capital through a multi-channel financing approach. The Group was granted a mezzanine financing due 2024 with a total principal of HK\$894 million in June through the King's Road & Mount Parker Road Project Company and entered into a senior financing supplementary agreement. The total principal amount of the syndicated term loan increased to HK\$825 million, and the maturity of the existing syndicated term loan was extended to 2024.

The Group is dedicated to controlling its financing costs, the effective borrowing rate was 6.03%. As at 31 December 2022, the Group's net gearing ratio was 57.3%. Total cash and bank deposits amounted to RMB16,091 million.

Good Corporate Governance and Performing Corporate Social Responsibilities

The Group upholds the concept of "mutual communication for a win-win situation". Subject to the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and relevant laws, the Group maintains effective mutual communications and builds good relationships with commercial and investment banks, rating agencies, investors and analysts, thereby improving its corporate transparency on an on-going basis.

Throughout 30 years of development, the Group developed projects at different development stages, such as urban high-end products, low density products, large residential buildings and tourism real estate, and launched the "5N omni-dimensional product system" which included A-Garden, A-County, A-Home, A-Mansion and Mountain & Sea Series, and "5S+ Living Service System", a full-cycle service standard to cover from the flat inspection to after moving-in.

The Group has always been committed to becoming a provider of quality living services by focusing on people's pursuit of a beautiful life and a world-class, visionary and exceptional developer, establishing role models of human life to create an outstanding experience of "Lifestyle of a Lifetime" for owners, partners and employees. The Group is also playing its part in environment protection, cares about the well-being of staff, and promotes sustainable development in communities through supporting and participating in charity and community activities across areas such as environmental protection, medical care, education, culture, and sports.



Prospects and Strategy

It is expected that the market will continue to pay attention to the Federal Reserve-led interest rate hikes, the Russia-Ukraine conflict, inflations and their impacts on global economy in 2023. With the relaxation of the pandemic containment measures in China and the resumption of quarantine-free travel with the world, China's economy is expected to recover vigorously.

The Central Government will continue to uphold the principle of "houses are for living in, not for speculation" and "prioritising stability", "make progress while maintaining stability" in economy to promote the overall improvement of economic operation, and properly implement a long-term mechanism to "stabilise land prices, housing prices and expectations" on the basis of respecting market regulations and improving the establishment of relevant systems with flexible adjustments, so as to facilitate the recovery of sales and healthy development of the real estate industry.

The Group firmly believes in adhering to the business model of "focusing on property development, supported by a synergy of diversified businesses". Through the efforts of all employees, the overall business will develop steadily, and further increase the brand awareness of Agile across the nation and maintain its position in the competitive market. Meanwhile, the Group will continue to uphold its promise in corporate social responsibilities by making contribution to society through participating in charitable activities.

Acknowledgement

On behalf of the Board, I would like to extend our heartfelt gratitude to our shareholders, customers, staff and other stakeholders for their unwavering support and dedication in contributing and sustaining steady growth of the Group.

CHEN Zhuo Lin

Chairman and President

Hong Kong, 30 March 2023



Overall performance

During the year, the Group's revenue was RMB54,034 million (2021: RMB73,028 million), representing a decrease of 26.0% over 2021. The Group's operating loss was RMB6,513 million (2021: operating profit RMB17,517 million), representing a decrease of 137.2% over 2021.

The Group's net loss for the year was RMB13,373 million representing a decrease of 247.0% when compared with net profit RMB9,098 million in 2021.

Loss attributable to shareholders of the Company for the year was RMB14,981 million representing a decrease of 323.2% when compared with profit RMB6,712 million in 2021.

Basic loss per share was RMB3.827 for the year ended 31 December 2022 (2021: basic earnings per share RMB1.729).

The loss was primarily due to the following:

1. unfavourable operating environment in the real estate industry and the continuous impact of the novel coronavirus epidemic, which has weakened confidence of buyers, property sales have slowed down, and the scale of deliveries has declined, resulting in a decline in the overall sales area and average selling price of properties, and a decline in gross profit margin when compared to the same period of last year;
2. share of loss of joint ventures using equity method against its gain in the corresponding period of last year;
3. less gains on the disposal of subsidiaries;
4. foreign exchange loss against its gain in the corresponding period of last year due to the fluctuation of exchange rates; and
5. increased impairment loss on property projects and accounts receivable under HKFRSs.

Land bank

As at 31 December 2022, the Group had a land bank with a total planned GFA of 40.16 million sq.m. in 80 cities located in Southern China Region, Eastern China Region, Western China Region, Central China Region, Hainan Region, Yunnan Region, Northeast China Region, Northern China Region, Hong Kong and Overseas. The average land cost was RMB3,255 per sq.m., which was competitive.

Property development and sales

During the year, revenue from recognised sales of property development of the Group was RMB37,426 million, representing a decrease of 35.9% when compared with RMB58,402 million in 2021. The decrease was mainly attributable to the overall downturn of domestic real estate market during the year. Due to unfavourable operating environment in the real estate industry and the continuous impact of the novel coronavirus epidemic, which has weakened confidence of buyers, property sales have slowed down, and the scale of deliveries has declined, resulting in a decline in the overall sales area and average selling price of properties. The recognised average selling price decreased to RMB11,292 per sq.m. in 2022, representing a decrease of 17.5% when compared with RMB13,682 per sq.m. in 2021. The total recognised GFA sold was 3.31 million sq.m., representing a decrease of 22.4% when compared with 2021.



Property management

During the year, revenue from property management of the Group was RMB13,683 million, representing an increase of 20.8% when compared with RMB11,330 million in 2021. As at 31 December 2022, the Group's total GFA under management was 545.8 million sq.m., representing an increase of 56.9 million sq.m. or a growth rate of 11.6% as compared with 488.9 million sq.m. as at 31 December 2021.

Others

Commercial management and environmental protection

During the year, the Group's commercial revenue (including hotel operation and property investment) and environmental protection amounted to RMB2,925 million, representing a decrease of 11.2% compared with RMB3,295 million in 2021. The decrease was mainly attributable to the impact of the COVID-19 outbreak, the disposal of several investment properties and subsidiaries engaged in environmental protection business during the year.

Cost of sales

The Group's cost of sales mainly refers to the costs incurred directly from its property development activities and property management activities, including the cost of construction, fitting-out and design, costs of land use rights, capitalised interest, employee benefit expenses, cleaning expenses, security expenses, tax surcharge and others.

During the year, the cost of sales of the Group amounted to RMB53,033 million, representing a decrease of 1.8% compared with RMB54,007 million in 2021. The total recognised GFA sold decreased by 22.4% to 3.31 million sq.m. in 2022 when compared with 4.27 million sq.m. in 2021 due to the unfavourable operating environment in the real estate industry and the continuous impact of the novel coronavirus epidemic, property sales have slowed down, and the scale of deliveries has declined. The recognised average cost increased to RMB11,903 per sq.m. in 2022, representing an increase of 17.8% when compared with RMB10,104 per sq.m. in 2021. This is mainly due to the increase of average land cost.

Gross profit

During the year, gross profit of the Group was RMB1,001 million, representing a decrease of 94.7% when compared with RMB19,021 million in 2021. During the year, gross profit margin of the Group was 1.9%, representing a decrease of 24.1 percentage points when compared with 26.0% in 2021. The decrease in gross profit and gross profit margin was due to unfavourable operating environment in the real estate industry and the continuous impact of the novel coronavirus epidemic, which has weakened confidence of buyers, property sales have slowed down, and the scale of deliveries has declined, resulting in a decline in the overall sales area. The recognised average selling price decreased by 17.5% over last year, whilst the relevant average costs such as land cost and construction cost increased by 17.8% compared to 2021, causing the decline of gross profit and gross profit margin.



Other income and gains, net

During the year, other income and gains, net of the Group were gain of RMB2,270 million, representing a decrease of 66.1% compare with gain of RMB6,696 million in 2021. The change was mainly attributable to the followings:

- (i) the interest income of RMB497 million, representing a decrease of RMB684 million compared with RMB1,181 million in 2021;
- (ii) gains on disposal of subsidiaries of RMB854 million, representing a significant decrease of RMB3,407 million compared with RMB4,261 million in 2021;
- (iii) gains on disposal of joint ventures and associates of RMB1,120 million, representing a significant increase RMB1,186 million compared with loss of RMB66 million in 2021; and
- (iv) loss on disposal of right-of-use assets, investment properties, property, plant and equipment and other intangible assets of RMB623 million, representing a significant decrease of RMB1,324 million compared with gain of RMB701 million in 2021.

Selling and marketing costs

During the year, the Group's selling and marketing costs amounted to RMB1,233 million, representing a decrease of 60.3% compared to RMB3,102 million in 2021. The decrease was mainly due to the decrease in commission fee and advertising fee.

Administrative expenses

During the year, the Group's administrative expenses amounted to RMB4,305 million, representing an increase of 7.5% compared to RMB4,004 million in 2021, such increase was mainly due to the impairment of goodwill on the Group's. The aggregate of impairment of goodwill, impairment of property, plant and equipment and impairment of other intangible assets amounted to RMB706 million, representing a significant increase of RMB676 million comparing to RMB30 million of 2021. Other administrative expenses decreased by RMB375 million due to the enhancement of cost control by the Group during the year.

Other expenses

During the year, other expenses of the Group was RMB1,156 million, representing an increase of 313.9% when compared with RMB279 million in 2021, which was mainly attributable to the increase in net fair value losses on financial assets/liabilities at fair value through profit or loss ("FVPL").



Finance costs, net

The Group's finance costs mainly consist of interest expenses on bank borrowings, other borrowings, senior notes, exchangeable bonds, PRC corporate bonds, Commercial Mortgage Backed Securities ("CMBS"), Panyu asset-backed securities ("Panyu ABS") and lease liabilities, deduct capitalised interests and exchange gains or losses on foreign currency denominated borrowings.

During the year, the Group's net finance costs amounted to RMB3,102 million, representing an increase of 119.3% as compared to RMB1,414 million in 2021 which mainly consisted of the following items:

- (i) Due to the decline of average balance of borrowings of the Group, interest expenses decreased by 34.7% from RMB6,871 million in 2021 to RMB4,490 million in 2022; and
- (ii) Exchange loss on foreign currency borrowings arising from the translation of the Group's foreign currency denominated borrowings was RMB2,676 million compared with a gain of RMB1,044 million in 2021 due to the depreciation of RMB against the US dollar, Hong Kong dollar and Macau Pataca as compared to last year.

Share of profits and losses of investments accounted for using the equity method

During the year, the share of losses of investments accounted for using the equity method was RMB757 million, representing a decrease of 195.4% when compared with profit of RMB794 million in 2021.

(Loss)/profit attributable to shareholders

Loss attributable to shareholders of the Company was RMB14,981 million for the year ended 31 December 2022, representing a decrease of 323.2% when compared with profit of RMB6,712 million for the year ended 31 December 2021.



LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash position and fund available

As at 31 December 2022, the total cash and bank balances of the Group were RMB16,091 million (31 December 2021: RMB38,420 million), of which RMB8,463 million (31 December 2021: RMB22,803 million) was cash and cash equivalents and RMB7,628 million (31 December 2021: RMB15,617 million) was restricted cash.

As at 31 December 2022 and 2021, restricted cash is mainly comprised of guarantee deposits for mortgage loans, guarantee deposits for construction of pre-sold properties, deposits for accident compensation and collateral for borrowings.

Borrowings

As at 31 December 2022, the Group's total borrowings amounted to RMB59,486 million, of which (i) bank borrowings and other borrowings; (ii) senior notes; (iii) PRC Corporate Bonds, CMBS, Panyu ABS and exchangeable bonds, were amounted to RMB38,796 million, RMB12,112 million and RMB8,578 million respectively.

Repayment schedule	As at 31 December 2022 (RMB million)	As at 31 December 2021 (RMB million)
Bank borrowings and other borrowings		
Within 1 year	20,680	17,145
Over 1 year and within 2 years	13,738	14,415
Over 2 years and within 5 years	2,665	18,690
Over 5 years	1,713	3,799
Subtotal	38,796	54,049
Senior notes		
Within 1 year	-	6,998
Over 2 years and within 5 years	12,112	11,063
Subtotal	12,112	18,061
PRC Corporate Bonds, CMBS, ABS, and Exchangeable Bonds		
Within 1 year	3,347	5,437
Over 1 year and within 2 years	65	1,200
Over 2 years and within 5 years	1,527	5,127
Over 5 years	3,639	-
Subtotal	8,578	11,764
Total	59,486	83,874



As at 31 December 2022, the Group's bank borrowings (including syndicated loans) of which RMB30,899 million (31 December 2021: RMB40,427 million) and other borrowings of which RMB3,771 million (31 December 2021: RMB4,384 million) were secured by its bank deposits, land use rights, self-used properties, trade receivables, completed properties held for sale, properties under development, investment properties, the shares of certain subsidiaries and equity interest of a joint venture.

The senior notes were guaranteed by certain subsidiaries of the Group and were secured by the pledges of their shares. The net assets of these subsidiaries were RMB2,774 million as at 31 December 2022 (31 December 2021: RMB2,032 million).

The Panyu ABS and CMBS of RMB703 million (31 December 2021: RMB949 million) and RMB4,009 million (31 December 2021: RMB4,052 million) were secured by the Group's trade receivables, land use rights, self-used properties and investment properties.

The exchangeable bonds of RMB1,223 million (31 December 2021: RMB1,119 million) were guaranteed by the Company and were secured by the pledges of A-Living Shares.

The gearing ratio is the ratio of net borrowings (total borrowings less total cash and cash equivalents and restricted cash) to total equity. As at 31 December 2022, the gearing ratio was 57.3% (31 December 2021: 50.8%).

Currency risk

The Group conducts its business primarily in Renminbi. Certain bank deposits and bank loans were denominated in Hong Kong dollars, United States dollars, Macao Pataca and Malaysian Ringgit, and the Company's senior notes was denominated in United States dollars.

Since 2016, the Group has adopted foreign currency hedging instruments to achieve better management over foreign exchange risk. The objective of the hedges is to minimise the volatility of the RMB cost of highly probable forecast repayments of foreign debts. The Group's risk management policy is to partially hedge forecasted foreign currency cash flows, subject to availability of appropriate hedging instruments and cost of hedging.

The Group uses a combination of foreign exchange forward contracts and foreign exchange option derivatives to hedge its exposure to foreign exchange risk.

Please refer to note 48 to the consolidated financial statements for the financial risks exposed to the Group.

Cost of borrowings

In 2022, the total cost of borrowings (not including the interest expense of lease liabilities) of the Group was RMB4,464 million, representing a decrease of 34.7% when compared with RMB6,836 million in 2021. The decrease was mainly attributable to lower average balance of borrowings in 2022. The Group's effective borrowing rate for the year was 6.03% (2021: 5.87%).



Financial guarantee

The Group is in cooperation with certain financial institutions for the provision of mortgage loan facility for its purchasers of property and has provided guarantees to secure repayment obligations by such purchasers. As at 31 December 2022, the outstanding guarantees were RMB49,330 million (31 December 2021: RMB51,824 million). Such guarantees shall terminate upon the earlier of (i) issuance of the real estate ownership certificate which will generally be available within one year after taking over of the possession of the relevant property by the purchasers; or (ii) the satisfaction of relevant mortgage loans by the purchasers.

Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with any accrued interests and penalties owed by the defaulted purchasers to the financial institutions, and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee starts from the dates the mortgagees grant the mortgage loans. No provision has been made for the guarantees as the management is of the view that the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interests and penalties in case of default in payments.

Several subsidiaries of the Group and associates counter parties have provided certain guarantees in proportion of their shareholding in certain associates in respect of loan facilities amounting to RMB2,923 million (2021: RMB3,461 million). As at 31 December 2022, the Group's share of the guarantees amounted to RMB1,980 million (2021: RMB2,190 million).

Several subsidiaries of the Group and joint venture counter parties have provided certain guarantees in proportion to their shareholdings in certain joint ventures in respect of loan facilities amounting to RMB7,165 million (2021: RMB12,904 million). As at 31 December 2022, the Group's share of the guarantees amounted to RMB4,609 million (2021: RMB8,271 million).

As at 31 December 2022, the Group provided certain guarantees to certain independent third parties in respect of loan facilities amounting to RMB3,508 million (2021: RMB7,479 million).

Contingent liabilities

As at 31 December 2022, the Group did not have any material contingent liabilities.

Allotment of Shares in Agile

(a) On 16 November 2022 (before trading hours), the Company, Top Coast Investment Limited, and BNP Paribas Securities (Asia) Limited, Credit Suisse (Hong Kong) Limited and J.P. Morgan Securities (Asia Pacific) Limited (as placing agents) entered into a placing and subscription agreement for the placing of 295,000,000 Shares at the placing price of HK\$2.68 per Share and for the subscription of up to 295,000,000 new Shares by Top Coast at the subscription price of HK\$2.68 per Share. The net price for the Subscription, after deduction of all relevant fees, costs and expenses to be borne or incurred by the Company, is estimated to be approximately HK\$2.65 per Subscription Share. Based on a nominal value of HK\$0.10 per Placing Share, the aggregate nominal value of the Subscription Shares was HK\$29,500,000 on the basis of full subscription of all the Subscription Shares.

The Placing Shares have been placed by the placing agent to not less than six placees, who/which are professional, institutional and/or other investors procured by the placing agent. To the best knowledge and reasonable belief of the Company, these placees and their ultimate beneficial owners are independent of and not connected with the Company and connected persons of the Company, and none of such placees have become a substantial shareholder of the Company immediately upon completion of the Placing.





The placing price of HK\$2.68 per Share represented: (1) a discount of approximately 17.8% to the closing price of HK\$3.26 per Share as quoted on the Stock Exchange on the last trading day for the Shares prior to the signing of the placing and subscription agreement (the “**Last Trading Day**”); (2) a premium of approximately 9.9% to the average closing price of HK\$2.438 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days prior to and including the Last Trading Day; and (3) a premium of approximately 31.1% to the average closing price of HK\$2.044 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days prior to and including the Last Trading Day. The placing and subscription were completed on 18 November 2022 and 23 November 2022. The subscription shares represent approximately 7.00% of the Company’s issued share capital as enlarged by the allotment and issue of the subscription shares. The net proceeds from the subscription (after deducting all relevant fees, costs and expenses to be borne or incurred by the Company) are approximately HK\$783 million.

The rationale for the placement and subscription was to raise additional funds to strengthen the financial position, and broaden the shareholder and capital base of the Company. The Company intends to use the net proceeds from the subscription for refinancing of existing indebtedness and general corporate purposes. As at 31 December 2022, the amount was fully utilized as planned. Please refer to the announcements of the Company dated 16 November 2022 and 23 November 2022.

- (b) On 20 December 2022 (before trading hours), the Company, Top Coast Investment Limited, and BNP Paribas Securities (Asia) Limited, Credit Suisse (Hong Kong) Limited and J.P. Morgan Securities (Asia Pacific) Limited (as placing agents) entered into a placing and subscription agreement for the placing of 268,500,000 Shares at the placing price of HK\$2.32 per Share and for the subscription of up to 268,500,000 new Shares by Top Coast at the subscription price of HK\$2.32 per Share. The net price for the Subscription, after deduction of all relevant fees, costs and expenses to be borne or incurred by the Company, is estimated to be approximately HK\$2.30 per Subscription Share. Based on a nominal value of HK\$0.10 per Placing Share, the aggregate nominal value of the Subscription Shares was HK\$26,850,000 on the basis of full subscription of all the Subscription Shares.

The Placing Shares have been placed by the placing agent to not less than six placees, who/which are professional, institutional and/or other investors procured by the placing agent. To the best knowledge and reasonable belief of the Company, these placees and their ultimate beneficial owners are independent of and not connected with the Company and connected persons of the Company, and none of such placees have become a substantial shareholder of the Company immediately upon completion of the Placing. The placing price of HK\$2.32 per Share represented: (1) a discount of approximately 17.4% to the closing price of HK\$2.81 per Share as quoted on the Stock Exchange on the Last Trading Day; (2) a discount of approximately 19.2% to the average closing price of HK\$2.872 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days prior to and including the Last Trading Day; and (3) a discount of approximately 19.4% to the average closing price of HK\$2.879 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days prior to and including the Last Trading Day.

The placing and subscription were completed on 20 December 2022 and 30 December 2022. The subscription shares represent approximately 5.99% of the Company’s issued share capital as enlarged by the allotment and issue of the subscription shares. The net proceeds from the subscription (after deducting all relevant fees, costs and expenses to be borne or incurred by the Company) are approximately HK\$617.2 million.





The rationale for the placement and subscription is to raise additional funds to strengthen the financial position, and broaden the shareholder and capital base of the Company. The Company intends to use the net proceeds from the subscription for repaying the outstanding coupon payments for the secured guaranteed exchangeable bonds due 2026 issued by Farsail Goldman International Limited and guaranteed by the Company as detailed in the announcement of the Company dated 26 November 2021, refinancing of existing indebtedness and general corporate purposes. As at 31 December 2022, the amount was fully utilized as planned. Please refer to the announcements of the Company dated 20 December 2022 and 30 December 2022.

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures, and Future Plans for Material Investments or Capital Assets

On 21 January 2022, an independent third party as purchaser and an indirect wholly-owned subsidiary of the Company as vendor entered into a sale and purchase agreement, pursuant to which the vendor agreed to sell approximately 26.66% equity interest in a joint venture company to the purchaser at a total consideration of approximately RMB1,844 million. For details, please refer to the announcement of the Company dated 24 January 2022.

On 12, 19 and 28 January and 25 March 2022, an independent third party as purchaser, relevant subsidiaries of the Company (either being indirect wholly-owned or non-wholly-owned subsidiaries of the Company) ("**Agile Subsidiaries**") and relevant project companies of the Company entered into equity transfer agreements, pursuant to which the relevant Agile subsidiaries agreed to sell specified equity interest in six project companies and related shareholder's loans to the purchaser at a total consideration of RMB1,791,249,800. For details, please refer to the announcements of the Company dated 28 January and 4 April 2022.

On 28 January 2022, an independent third party as purchaser and relevant indirect wholly-owned subsidiaries of the Company entered into sale and purchase agreements, pursuant to which the relevant subsidiaries of the Company agreed to sell specified equity interest in three project companies and related shareholder's loans to the purchaser. The Group shall receive total gross proceeds in the amount of RMB1 billion from the disposals. For details, please refer to the announcement of the Company dated 28 January 2022.

On 19 May 2022, a project company (approximately 25% equity interest of which are indirectly held by the Company) as borrower and a bank entered into a facility agreement, pursuant to which the bank has agreed to grant to the project company a facility in an aggregate principal amount of up to RMB650,000,000. An indirect wholly-owned subsidiary of the Company agreed to provide an irrevocable guarantee as part of the security in favour of the bank. For details, please refer to the announcement of the Company dated 19 May 2022.

On 24 June 2022, an indirect wholly-owned subsidiary of the Company as borrower, an independent third party as original lender (the "**Mezzanine Lender**") and a bank as arranger and security agent entered into a mezzanine facility agreement, pursuant to which the Mezzanine Lender agreed to make available a term loan facility in an aggregate principal amount of up to HK\$894,000,000 to the borrower with an option to convert the relevant loan into all of the issued shares in the borrower. For details, please refer to the announcement of the Company dated 24 June 2022.

On 30 June 2022, an independent third party as purchaser and relevant indirect wholly-owned subsidiaries of the Company as vendors entered into a framework agreement, pursuant to which the relevant subsidiaries of the Company shall sell 100% equity interest in a project company and related shareholder's loans to the purchaser and its nominated entity at a total consideration of RMB764,000,000. For details, please refer to the announcement of the Company dated 30 June 2022.





On 19 August 2022 (before trading hours), the Vendor, Zhongshan A-Living Enterprises Management Services Co., Ltd.[^] (中山雅生活企業管理服務有限公司) (“**Zhongshan A-Living**”), an indirect wholly-owned subsidiary of the Company, entered into the block trade agreement (the “**Block Trade Agreement 1**”) with HSBC and CLSA Limited (the “**Managers 1**”), in which the Vendor agreed to appoint the Managers 1, and the Managers 1 severally (not jointly nor jointly and severally) agreed to act as agents of the Vendor, to procure, on a best efforts basis, purchasers to purchase 49,000,000 A-Living H Shares held by the Vendor (the “**Sale Shares 1**”) upon the terms and subject to the conditions set out in the Block Trade Agreement 1 at a price of HK\$7.01 per A-Living H Share. The Sale Shares 1 represented approximately 3.45% of the issued share capital of A-Living as at the date of the Block Trade Agreement 1. The gross proceeds of the Vendor from the disposal of the Sale Shares 1 (the “**Disposal 1**”) were estimated to be approximately HK\$343.49 million. Immediately after closing of the Disposal 1, the Group was interested in 722,256,750 A-Living H Shares, representing approximately 50.86% of the issued share capital of A-Living and A-Living continued to be accounted as a subsidiary of the Company. For details, please refer to the announcement of the Company dated 19 August 2022.

On 1 September 2022, an independent third party as purchaser and relevant indirect wholly-owned subsidiaries of the Company entered into equity transfer agreements, pursuant to which the relevant subsidiaries of the Company agreed to sell specified equity interest in two project companies and related shareholder’s loans to the purchaser. The Group shall receive total gross proceeds in the amount of RMB680 million from the disposals. For details, please refer to the announcement of the Company dated 1 September 2022.

On 9 December 2022 (before trading hours), the Vendor, Zhongshan A-Living, entered into the block trade agreement (the “**Block Trade Agreement 2**”) with HSBC, CLSA Limited, BNP Paribas Securities (Asia) Limited and China International Capital Corporation Hong Kong Securities Limited (the “**Managers 2**”), in which the Vendor agreed to appoint the Managers 2, and the Managers 2 severally (not jointly nor jointly and severally) agreed to act as agents of the Vendor, to procure, on a best efforts basis, purchasers to purchase 48,600,000 A-Living H Shares held by the Vendor (the “**Sale Shares 2**”) upon the terms and subject to the conditions set out in the Block Trade Agreement 2 at a price of HK\$10.18 per A-Living H Share. The Sale Shares 2 represented approximately 3.42% of the issued share capital of A-Living as at the date of the Block Trade Agreement 2. The gross proceeds and net proceeds (after deducting the commission and other related expenses and professional fees) of the Vendor from the disposal of the Sale Shares 2 (the “**Disposal 2**”) were estimated to be approximately HK\$494.7 million and approximately HK\$490.0 million, respectively. Immediately after closing of the Disposal 2, the Group was interested in 673,656,750 A-Living H Shares, representing approximately 47.44% of the issued share capital of the issued share capital of A-Living and A-Living continued to be accounted as a subsidiary of the Company. For details, please refer to the announcement of the Company dated 9 December 2022.

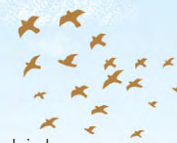
Save as disclosed in this report, there were no other significant investments held, no material acquisitions or disposals of subsidiaries, associates and joint ventures during the period, nor was there any plan authorised by the Board for other material investments or additions of capital assets at the date of this report.

Events after the Balance Sheet Date

- (a) On 11 January 2023 (before trading hours), the Company, Top Coast Investment Limited, and BNP Paribas Securities (Asia) Limited, Credit Suisse (Hong Kong) Limited and J.P. Morgan Securities (Asia Pacific) Limited (as placing agents) entered into a placing and subscription agreement for the placing of 219,500,000 Shares at the placing price of HK\$2.25 per Share and for the subscription of up to 219,500,000 new Shares by Top Coast at the subscription price of HK\$2.25 per Share. The net price for the Subscription, after deduction of all relevant fees, costs and expenses to be borne or incurred by the Company, is estimated to be approximately HK\$2.23 per Subscription Share. Based on a nominal value of HK\$0.10 per Placing Share, the aggregate nominal value of the Subscription Shares was HK\$21,950,000 on the basis of full subscription of all the Subscription Shares.

[^] for identification purposes only





The Placing Shares have been placed by the placing agent to not less than six placees, who/which are professional, institutional and/or other investors procured by the placing agent. To the best knowledge and reasonable belief of the Company, these placees and their ultimate beneficial owners are independent of and not connected with the Company and connected persons of the Company, and none of such placees have become a substantial shareholder of the Company immediately upon completion of the Placing.

The placing price of HK\$2.25 per Share represented: (1) a discount of approximately 13.46% to the closing price of HK\$2.60 per Share as quoted on the Stock Exchange on the Last Trading Day; (2) a discount of approximately 11.42% to the average closing price of HK\$2.54 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days prior to and including the Last Trading Day; and (3) a discount of approximately 7.02% to the average closing price of HK\$2.42 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days prior to and including the Last Trading Day. The placing and subscription were completed on 13 January 2023 and 18 January 2023. The subscription shares represent approximately 4.67% of the Company's issued share capital as enlarged by the allotment and issue of the subscription shares. The net proceeds from the subscription (after deducting all relevant fees, costs and expenses to be borne or incurred by the Company) are approximately HK\$489.2 million.

The rationale for the placement and subscription is to raise additional funds to strengthen the financial position, and broaden the shareholder and capital base of the Company. The Company intends to use the net proceeds from the subscription for repaying the outstanding coupon payments for US\$500,000,000 5.75% senior unsecured bonds due 2025 issued by the Company, refinancing of existing indebtedness and general corporate purposes. As at 30 March 2023, the amount was fully utilized as planned. Please refer to the announcements of the Company dated 11 January 2023 and 18 January 2023.

- (b) A wholly-owned subsidiary of the Company, publicly issued the first tranche of 2023 medium-term notes in the PRC on 18 January 2023, with an aggregate principal amount of RMB1,200,000,000 for a term of three years and coupon rate of 4.7%, which are fully guaranteed by China Bond Insurance Co., Ltd. (中債信用增進投資股份有限公司) with irrevocable joint and several liability.

Save as disclosed above, the Group did not have any other material event after the Balance Sheet Date.

Employees and remuneration policy

As at 31 December 2022, the Group had a total of 101,906 employees, among which 46 were senior management and 293 were middle management. By geographical locations, there were 101,821 employees in Mainland China, 30 employees in Hong Kong and 55 employees in overseas. For the year ended 31 December 2022, the total remuneration costs, including directors' remuneration, were RMB7,981 million (31 December 2021: RMB8,862 million).

The Group remunerates its employees in reference to the market levels, individual performance and contributions. Bonuses are also distributed based on the performance of employees. The Group also provides a comprehensive benefit package and career development opportunities, including retirement schemes, medical benefits, and both internal and external training appropriate to the employees' needs.

The impact of the outbreak of COVID-19

In 2022, impacted by multiple factors such as the downturn in the real estate market and the resurgence of the COVID-19 pandemic. However, the Group believes that with the optimisation of anti-pandemic policies in China, the economy is getting better and the property development and property management industry will see healthier development.





Property development pre-sale

During the year, the aggregated pre-sale value of the Group, together with the joint ventures and associates of the Group as well as property projects carrying “Agile” brand name managed by the Group amounted to RMB65.23 billion, while the corresponding aggregated GFA presold and average selling price were 5.179 million sq.m. and RMB12,595 per sq.m. respectively.

Property management

In 2021, the property management industry was better regulated with higher-quality development and more diversified businesses. The government of the People’s Republic of China (the “**PRC**”) enacted plans and policies to guide and support the industry’s well-regulated and sustainable development. Ten government departments of PRC, including the Ministry of Housing and Urban-Rural Development, jointly issued the Notice on Strengthening and Improving Residential Property Management (《關於加強和改進住宅物業管理工作的通知》) (the “**Notice**”) in the Year. Both the Notice and China’s 14th Five-Year Plan affirmed property management enterprises’ role as the backbone of urban governance and living services. In the future, the PRC government will support property management enterprises to provide residents with more convenient and diverse living services, practically improve the service quality and increase the degree of intelligentisation and standardisation of property management. Throughout the Year, to cope with the recurring COVID-19 pandemic and various natural catastrophes, property management enterprises resolutely shouldered their social responsibilities and did their best to safeguard property owners’ lives and properties, which won them high praises widely from the society.

Outlook

It is expected that the market will continue to pay attention to the Federal Reserve-led interest rate hikes, the Russia-Ukraine conflict, inflations and their impacts on global economy in 2023. With the relaxation of the pandemic containment measures in China and the resumption of quarantine-free travel with the world, China’s economy is expected to recover vigorously.

The Central Government will continue to uphold the principle of “houses are for living in, not for speculation” and “prioritising stability”, “make progress while maintaining stability” in economy to promote the overall improvement of economic operation, and properly implement a long-term mechanism to “stabilise land prices, housing prices and expectations” on the basis of respecting market regulations and improving the establishment of relevant systems with flexible adjustments, so as to facilitate the recovery of sales and healthy development of the real estate industry.

The Group firmly believes in adhering to the business model of “focusing on property development, supported by a synergy of diversified businesses”. Through the efforts of all employees, the overall business will develop steadily, and further increase the brand awareness of Agile across the nation and maintain its position in the competitive market. Meanwhile, the Group will continue to uphold its promise in corporate social responsibilities by making contribution to society through participating in charitable activities.



PROPERTY DEVELOPMENT

In order to support the long-term stable growth of the property development business, the Group continues to enhance its competitiveness and maintain a strong brand recognition in the face of vigorous market competition, by improving the products' planning and design and offering excellent sales and aftersales services.



- Southern China Region
- Eastern China Region
- Western China Region
- Central China Region
- Hainan Region
- Yunnan Region
- Northeast China Region
- Northern China Region
- Hong Kong
- Overseas





Business Overview

In 2022, the Group duly launched 13 new projects. The projects available for sale totalled 239. During the Year, the accumulated pre-sale value of the Group, together with the joint ventures and associates of the Group as well as property projects carrying “Agile” brand name managed by the Group amounted to RMB65.23 billion, which is comparable to last year. The accumulated gross floor area (“GFA”) presold was 5.179 million sq.m., while the average selling price was RMB12,595 per sq.m..



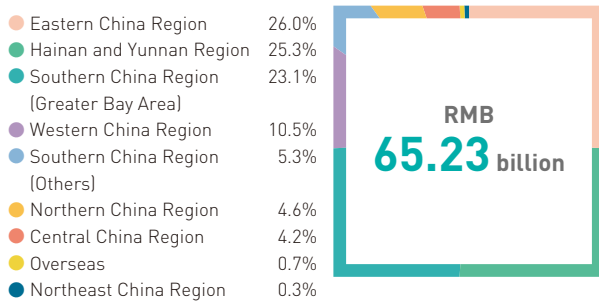


In 2022, Southern China Region, Eastern China Region, Hainan and Yunnan Region, Western China Region, Central China Region, Northern China Region and other regions accounted for 36.5%, 23.2%, 14.1%, 13.4%, 6.4%, 5.1% and 1.3% of GFA presold respectively.

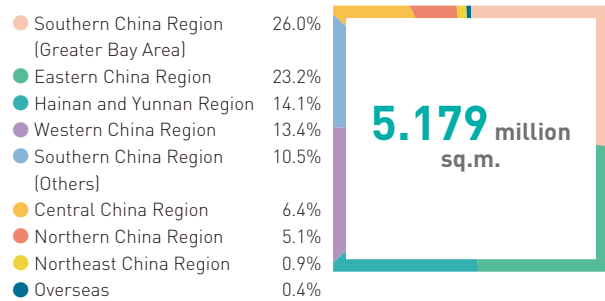
As at 31 December 2022, the Group had a land bank with total planned GFA of 40.16 million sq.m. in a total of 80 cities.



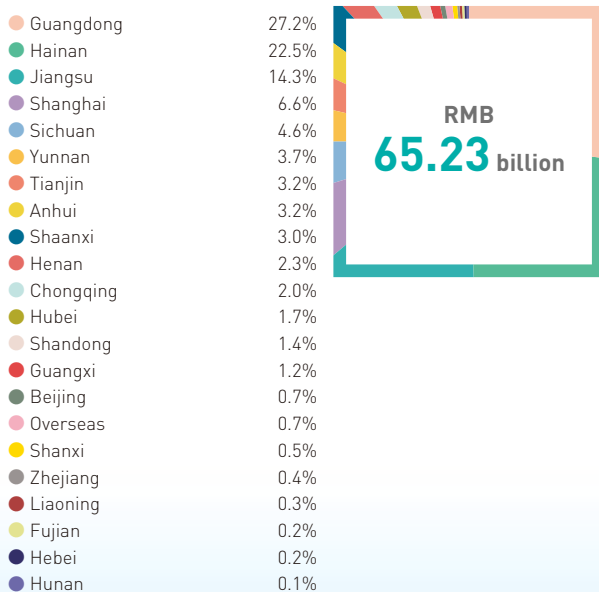
Pre-sales amount breakdown by regions



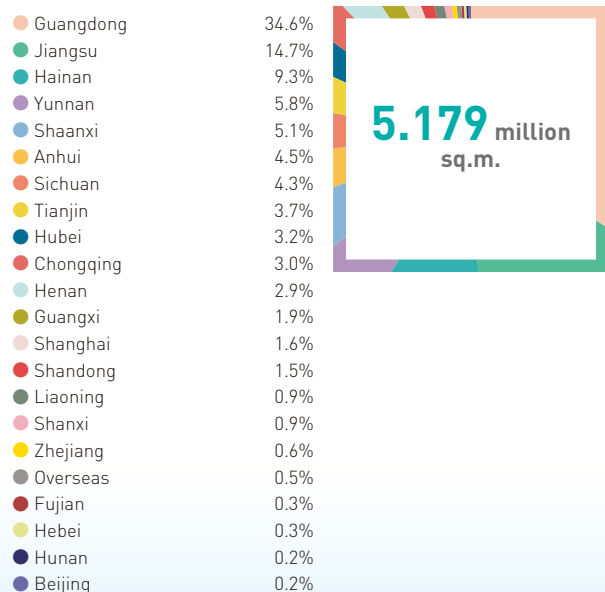
GFA pre-sold breakdown by regions



Pre-sales amount breakdown by Provinces



GFA pre-sold breakdown by Provinces



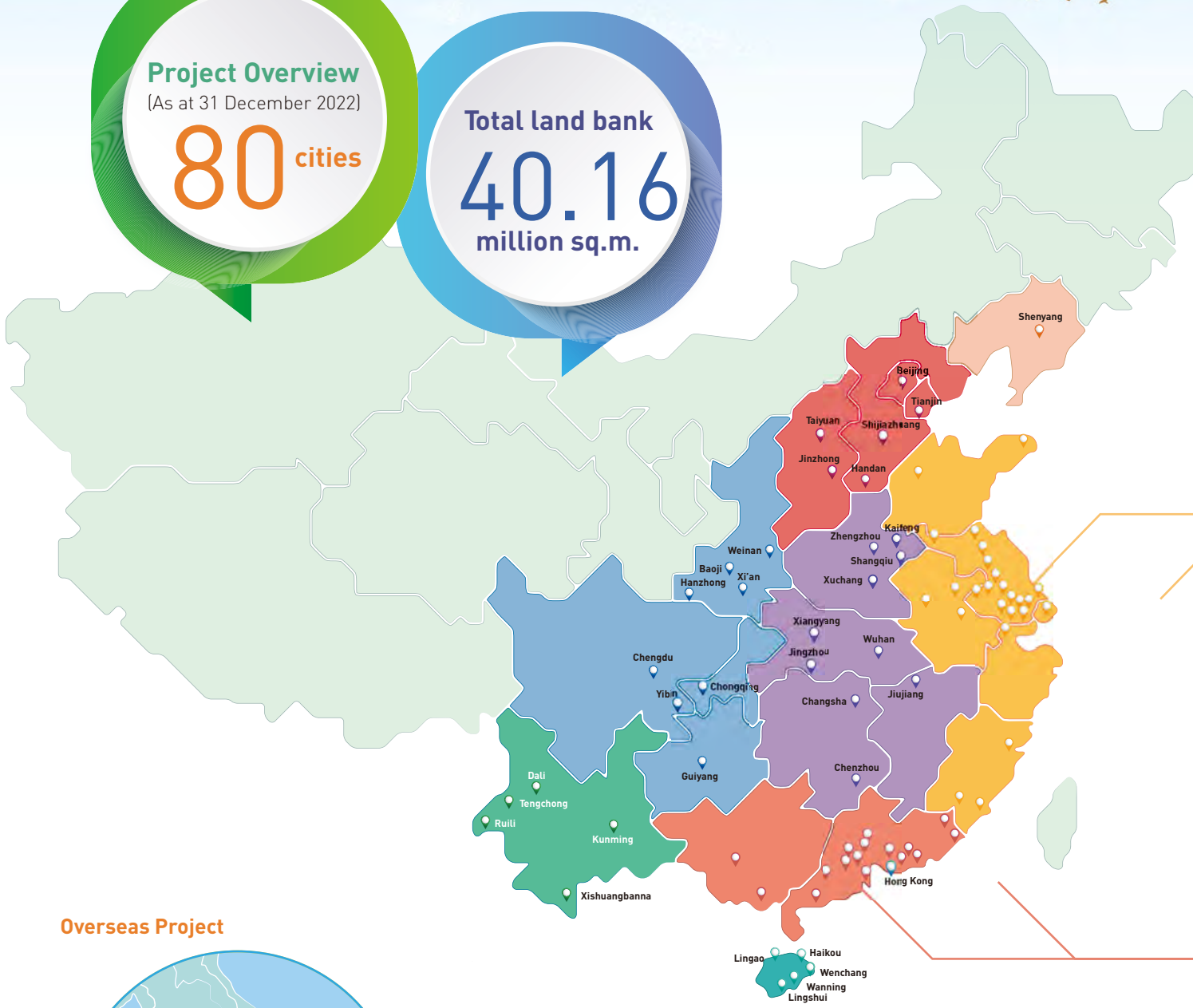
Project Overview

[As at 31 December 2022]

80 cities

Total land bank

40.16
million sq.m.



Overseas Project



- Southern China Region
- Eastern China Region
- Western China Region
- Central China Region
- Hainan Region
- Yunnan Region
- Northeast China Region
- Northern China Region
- Hong Kong
- Overseas



Changshu
Changzhou
Fuzhou
Hefei
Huai'an
Huzhou
Jiaxing
Jinan
Jinhua
Kunshan
Nanjing
Nantong
Qidong
Shanghai
Suzhou
Taixing
Weihai
Wuhu
Wuxi
Xiamen
Xuzhou
Yangzhou
Yixing
Zhangzhou
Zhenjiang

Province

	No. of Projects	Total Planned GFA of the Projects (sq.m.)	Lank Bank (sq.m.)
Anhui	4	704,982	226,093
Beijing	3	197,190	116,938
Chongqing	9	2,168,697	1,037,795
Fujian	5	1,472,206	1,327,014
Guangdong	59	30,128,761	11,681,116
Guangxi	2	1,624,087	1,249,982
Guizhou	1	72,390	72,390
Hainan	7	9,178,474	2,251,548
Hebei	3	197,036	197,036
Henan	11	2,993,431	1,826,445
Hong Kong	2	20,389	20,389
Hubei	4	1,450,357	399,430
Hunan	4	1,628,120	928,808
Jiangsu	35	7,572,586	4,039,362
Jiangxi	1	287,360	287,360
Liaoning	2	1,187,534	71,956
Shaanxi	6	2,592,426	1,379,848
Shandong	3	3,169,898	3,050,091
Shanghai	1	102,524	103,678
Shanxi	3	853,338	659,965
Sichuan	9	3,536,881	1,502,394
Tianjin	5	5,499,638	2,693,982
Yunnan	6	7,614,590	4,444,521
Zhejiang	4	378,848	168,369
Overseas	4	468,862	421,016
Total	193	85,100,604	40,157,524

Region

	No. of Projects	Total Planned GFA of the Projects (sq.m.)	Lank Bank (sq.m.)
Southern China	61	31,752,848	12,931,097
Eastern China	52	13,401,042	8,914,608
Western China	25	8,370,393	3,992,426
Central China	20	6,359,268	3,442,043
Hainan	7	9,178,474	2,251,548
Yunnan	6	7,614,590	4,444,521
Northeast China	2	1,187,534	71,956
Northern China	14	6,747,202	3,667,920
Hong Kong	2	20,389	20,389
Overseas	4	468,862	421,016
Total	193	85,100,604	40,157,524

Nanning
Beihai
Qingyuan
Foshan
Guangzhou
Heyuan
Huizhou
Jiangmen
Jieyang
Maoming
Meizhou
Shantou
Shanwei
Yunfu
Zhaoqing
Zhongshan
Zhuhai



Land Bank Table

[As at 31 December 2022]

No.	Project Name	City	Interests Attributable to the Group (Note 2)	Total Site Area of the Project (sq.m.)	Location
Southern China Region					
1	Agile Haizhu Xiaoya Guangzhou	Guangzhou	100%	13,660	Haizhu District, Guangzhou City
2	Agile Skyline 715 Guangzhou	Guangzhou	100%	21,908	Liwan District, Guangzhou City
3	Agile Huadu County Guangzhou	Guangzhou	100%	67,260	Huadu District, Guangzhou City
4	Agile Riverside Park Guangzhou	Guangzhou	49%	126,140	Conghua District, Guangzhou City
5	Agile Riverside Garden Guangzhou	Guangzhou	100%	24,814	Conghua District, Guangzhou City
6	Glory of City Garden Guangzhou	Guangzhou	20%	54,400	Huadu District, Guangzhou City
Guangzhou Subtotal				308,182	
7	La Cité Greenville Zhongshan	Zhongshan	100%	1,970,275	Torch High-Tech Industrial Development Zone, Zhongshan City
8	Metro Agile Zhongshan	Zhongshan	100%	1,476,285	Sanxiang Town, Zhongshan City
9	Zhongshan Minzhong Town Project	Zhongshan	100%	63,450	Minzhong Town, Zhongshan City
10	Agile Cambridgeshire Zhongshan	Zhongshan	100%	375,357	East District, Zhongshan City
11	Agile Royal Mount Zhongshan	Zhongshan	100%	563,253	Wugui Mountain Town, Zhongshan City
12	Agile Coastal Pearl Zhongshan	Zhongshan	100%	338,892	Nanlang Town, Zhongshan City
13	Agile Haotousha County Zhongshan (Formerly known as Zhongshan Haotousha Project)	Zhongshan	100%	83,483	Torch High-Tech Industrial Development Zone, Zhongshan City
14	Agile River Pearl Zhongshan	Zhongshan	100%	27,868	Shiqi District, Zhongshan City
15	Crescent Hill Center City Zhongshan	Zhongshan	100%	181,667	Sanxiang Town, Zhongshan City
16	Genting Highlands Zhongshan (Formerly known as Zhongshan Dongcheng Lufeng Project)	Zhongshan	50%	162,795	Torch High-tech Industrial Development Zone, Zhongshan City
17	Mont Orchid Riverlet Zhongshan	Zhongshan	60%	131,863	Torch High-tech Industrial Development Zone, Zhongshan City
18	Agile Diyin Lake Town Zhongshan	Zhongshan	50%	478,955	Sanjiao Town, Zhongshan City
19	The Leading World Zhongshan	Zhongshan	100%	35,993	Sanxiang Town, Zhongshan City
20	Shenzhong One Zhongshan	Zhongshan	50%	180,718	Nanlang Town, Zhongshan City
21	Zhongshan Hehua Hotel Project	Zhongshan	100%	64,536	Sanxiang Town, Zhongshan City
22	Agile Starry Jade Zhongshan	Zhongshan	15%	47,097	Shenwan Avenue, Zhongshan City
23	Agile City of Lohas Zhongshan	Zhongshan	100%	69,808	Sanxiang Town, Zhongshan City
24	Zhongshan Dongfeng Town Project	Zhongshan	100%	669,960	Dongfeng Town, Zhongshan City
25	Zhongshan Cuiheng New District Project	Zhongshan	65%	245,526	Tsuihang New District (Start-up Area), Zhongshan City
26	Zhongshan Ma'an Island Project	Zhongshan	100%	503,617	Tsuihang New District (Start-up Area), Zhongshan City
27	Agile Garden Guzhen	Zhongshan	100%	26,799	Ancient Town, Zhongshan City
Zhongshan Subtotal				7,698,197	
28	Agile International Garden Zhuhai	Zhuhai	100%	83,997	Scientific Innovation Coast North Area, Zhuhai City
Zhuhai Subtotal				83,997	
29	Park Irisation Jiangmen	Jiangmen	51%	44,033	Pengjiang District, Jiangmen City
30	Agile Honorable Mansion Jiangmen	Jiangmen	51%	29,372	Xinhui District, Jiangmen City
31	Agile Chairman Taishan	Jiangmen	50%	29,257	Taishan City, Jiangmen City



	Total Planned GFA of the Project (sq.m.)	Land Bank (sq.m.) (Note 1)							Completion Period
		Total Planned GFA (A) (sq.m.)	Development Stage (B)			Planning Nature (C)			
			Completed (B1)	Under Development (B2)	Held for Future Development (B3)	Residential & Ancillary Facilities (C1)	Hotel (C2)	Commercial & Office (C3)	
	68,121	185	185	-	-	185	-	-	30/11/2018
	91,298	35,862	35,862	-	-	35,862	-	-	30/12/2021
	103,354	103,354	-	103,354	-	103,354	-	-	30/12/2023
	287,740	252,432	-	162,147	90,284	252,432	-	-	30/12/2025
	91,987	91,987	-	91,987	-	91,987	-	-	30/6/2023
	134,758	134,758	-	134,758	-	134,758	-	-	30/12/2023
	777,258	618,576	36,046	492,246	90,284	618,576	0	0	
	1,889,961	8,599	8,599	-	-	8,599	-	-	30/12/2014
	3,519,253	231,702	110,501	121,201	-	231,702	-	-	5/12/2026
	95,175	95,175	-	-	95,175	95,175	-	-	By Q4, 2026
	1,444,668	317,691	-	-	317,691	302,160	15,531	-	By Q4, 2026
	1,126,505	1,100	1,100	-	-	1,100	-	-	29/6/2018
	677,782	503	503	-	-	503	-	-	29/6/2018
	62,933	62,933	-	62,933	-	62,933	-	-	30/10/2023
	69,316	89	89	-	-	89	-	-	28/6/2019
	454,167	28,133	28,133	-	-	28,133	-	-	20/4/2021
	356,382	356,382	-	120,065	236,317	356,382	-	-	7/12/2026
	395,588	122,179	122,179	-	-	122,179	-	-	25/12/2022
	843,268	843,268	39,520	213,969	589,779	843,268	-	-	By Q4, 2026
	71,986	2,219	2,219	-	-	2,219	-	-	22/4/2019
	451,795	451,795	-	-	451,795	451,795	-	-	By Q4, 2026
	129,072	129,072	-	-	129,072	129,072	-	-	20/12/2025
	117,742	3,020	3,020	-	-	3,020	-	-	17/12/2020
	154,987	12,248	12,248	-	-	12,248	-	-	9/12/2020
	1,490,400	1,490,400	-	-	1,490,400	1,450,400	40,000	-	By Q4, 2026
	930,169	930,169	-	259,638	670,531	625,682	28,000	276,487	By Q4, 2026
	850,211	850,211	-	-	850,211	456,339	70,000	323,872	By Q4, 2026
	81,146	2,639	2,639	-	-	2,639	-	-	25/12/2022
	15,212,507	5,939,528	330,750	777,806	4,830,972	5,185,638	153,531	600,359	
	206,494	103,997	103,997	-	-	103,997	-	-	29/10/2021
	206,494	103,997	103,997	-	-	103,997	-	-	
	110,083	329	329	-	-	329	-	-	9/2/2021
	63,525	32,315	4,412	27,903	-	32,315	-	-	30/4/2023
	73,142	5,993	5,993	-	-	5,993	-	-	8/1/2021

No.	Project Name	City	Interests Attributable to the Group (Note 2)	Total Site Area of the Project (sq.m.)	Location
32	Agile Garden Taishan	Jiangmen	100%	58,411	Taishan City, Jiangmen City
33	Taishan Taicheng District Project	Jiangmen	100%	34,387	Taishan City, Jiangmen City
Jiangmen Subtotal				195,460	
34	Agile Personage Nanhai	Foshan	100%	44,786	Nanhai District, Foshan City
35	Agile Sunday Nanhai	Foshan	100%	35,337	Nanhai District, Foshan City
36	Pleasure Mansion Sanshui	Foshan	33%	79,015	Beijiang New Town, Foshan City
37	Qingyue Shunde	Foshan	40%	81,455	Beijiaoma Village, Foshan City
38	Agile Garden Shunde	Foshan	100%	212,410	Shunde District, Foshan City
39	Agile Mix City Shunde	Foshan	100%	62,515	Shunde District, Foshan City
40	Agile Cambridgeshire Shunde	Foshan	50%	110,833	Shunde District, Foshan City
41	Emerald Park Foshan	Foshan	33%	81,136	Gaoming District, Foshan City
42	Agile Landscape Foshan	Foshan	51%	27,407	Shunde District, Foshan City
Foshan Subtotal				734,893	
43(A)	Agile Egret Lake Huizhou Project A	Huizhou	51%	580,524	Ruhu Town, Huizhou City
43(B)	Agile Egret Lake Huizhou Project B	Huizhou	100%	1,414,155	Ruhu Town, Huizhou City
44	Agile Lohas World Huizhou	Huizhou	100%	24,792	Huicheng District, Huizhou City
45	Agile Garden Huiyang	Huizhou	66%	1,248,191	Huiyang District, Huizhou City
46	Agile Duhuiya County Huizhou	Huizhou	70%	55,000	Zhongkai Huaihuan, Huizhou City
Huizhou Subtotal				3,322,662	
47	Agile HK City Zhaoqing	Zhaoqing	100%	287,781	New District, Zhaoqing City
Zhaoqing Subtotal				287,781	
48	Agile Garden Heyuan	Heyuan	100%	1,364,741	Huangsha Avenue, Heyuan City
49	Agile Kytin Mansion Heyuan	Heyuan	100%	113,202	Yuancheng District, Heyuan City
50	Heyuan Dongyuan County Central District Project	Heyuan	100%	60,704	Dongyuan County, Heyuan City
51	Agile Timeless Works Heyuan	Heyuan	50%	64,806	Zijin County, Heyuan City
52	Agile Chairman Shantou	Shantou	100%	78,193	Chaoyang District, Shantou City
53	Agile Costal Pearl Shanwei	Shanwei	100%	183,407	City District, Shanwei City
54	Fenghui Meizhou	Meizhou	50%	44,774	Meixian District, Meizhou City
Eastern Guangdong Subtotal				1,909,827	
55	Agile Lohas New City Maoming	Maoming	100%	86,400	South District of Maoming Station, Maoming City
56	Elite Residence Yunfu	Yunfu	100%	44,069	Xincheng Town, Xinxing County, Yunfu City
57	Jieyang Jiedong District Project	Jieyang	5%	46,599	Jiedong District, Jieyang City
Western Guangdong Subtotal				177,068	
58	City of Lohas Qingyuan	Qingyuan	50%	53,331	Qingcheng District, Qingyuan City
59	Agile County Qingyuan	Qingyuan	51%	166,700	Qingcheng District, Qingyuan City
Northern Guangdong Subtotal				220,031	
60	Agile International Financial Center Nanning	Nanning	50%	56,736	Wuxiang New District, Nanning City
61	Agile Golden Bay Beihai	Beihai	100%	667,213	Yinhai District, Beihai City
Guangxi Subtotal				723,949	
Southern China Region Subtotal				15,662,046	



	Total Planned GFA of the Project (sq.m.)	Land Bank (sq.m.) (Note 1)							Completion Period
		Total Planned GFA (A) (sq.m.)	Development Stage (B)			Planning Nature (C)			
			Completed (B1)	Under Development (B2)	Held for Future Development (B3)	Residential & Ancillary Facilities (C1)	Hotel (C2)	Commercial & Office (C3)	
	146,026	119	119	-	-	119	-	-	11/6/2021
	96,284	1,539	1,539	-	-	1,539	-	-	15/12/2021
	489,060	40,296	12,393	27,903	-	40,296	-	-	
	143,315	611	611	-	-	611	-	-	20/12/2012
	88,342	145	145	-	-	145	-	-	28/6/2021
	256,659	89,446	2,644	86,802	-	89,446	-	-	30/6/2023
	213,939	79,583	297	79,286	-	79,583	-	-	31/5/2023
	488,500	1,529	1,529	-	-	1,529	-	-	20/12/2012
	164,254	87,066	-	87,066	-	87,066	-	-	30/6/2023
	331,006	196,313	1,164	195,149	-	196,313	-	-	30/12/2025
	245,804	88,014	88,014	-	-	88,014	-	-	30/9/2022
	61,477	61,477	-	61,477	-	61,477	-	-	30/10/2023
	1,993,297	604,184	94,404	509,780	0	604,184	-	-	
	811,500	694,198	-	124,044	570,154	694,198	-	-	By Q4, 2025
	1,293,836	100,782	462	77,670	22,650	100,782	-	-	By Q4, 2025
	76,855	4,991	4,991	-	-	4,991	-	-	30/9/2021
	2,995,658	1,455,027	189,074	-	1,265,953	1,455,027	-	-	By Q4, 2025
	196,508	98,227	29,893	68,334	-	27,256	-	70,971	30/6/2023
	5,374,357	2,353,226	224,421	270,048	1,858,757	2,282,255	-	70,971	
	714,484	650,695	49,702	105,236	495,757	636,076	-	14,619	By Q4, 2026
	714,484	650,695	49,702	105,236	495,757	636,076	-	14,619	
	2,729,481	463	463	-	-	463	-	-	31/12/2019
	283,612	144	144	-	-	144	-	-	30/6/2021
	151,760	151,760	-	151,760	-	151,760	-	-	30/9/2023
	162,015	162,015	-	-	162,015	162,015	-	-	By Q4, 2026
	351,869	217,052	3,023	-	214,029	217,052	-	-	By Q4, 2026
	416,914	163,589	753	-	162,836	163,589	-	-	By Q4, 2026
	116,412	8,998	8,998	-	-	8,998	-	-	30/10/2022
	4,212,063	704,021	13,381	151,760	538,881	704,021	-	-	
	212,414	212,414	-	119,235	93,179	171,834	-	40,580	By Q4, 2026
	132,222	7,869	7,869	-	-	7,869	-	-	30/12/2021
	157,914	77,607	1,574	76,033	-	77,607	-	-	28/9/2020
	502,550	297,890	9,443	195,268	93,179	257,310	-	40,580	
	168,158	50,928	4,780	46,148	-	50,928	-	-	30/6/2023
	478,533	317,775	2,919	131,441	183,415	317,775	-	-	By Q4, 2026
	646,691	368,703	7,699	177,589	183,415	368,703	-	-	
	375,446	133,408	133,408	-	-	-	-	133,408	20/12/2019
	1,248,641	1,116,574	64,060	173,401	879,112	1,116,574	-	-	By Q4, 2026
	1,624,087	1,249,982	197,468	173,401	879,112	1,116,574	-	133,408	
	31,752,848	12,931,097	1,079,703	2,881,037	8,970,357	11,917,630	153,531	859,936	



No.	Project Name	City	Interests Attributable to the Group (Note 2)	Total Site Area of the Project (sq.m.)	Location
Eastern China Region					
62	Agile Chang Le Du Nanjing	Nanjing	100%	59,900	Qinhuai District, Nanjing City
63	The Territory Nanjing	Nanjing	100%	316,697	Pukou District, Nanjing City
64	Agile Yunwang Mansion Nanjing	Nanjing	34%	35,058	Yuhuatai District, Nanjing City
65	Agile Harbour City Nanjing	Nanjing	100%	233,257	Pukou District, Nanjing City
66	Agile Yajun Lanting Nanjing	Nanjing	100%	63,132	Jiangning District, Nanjing City
67	Agile International Yangzhou	Yangzhou	100%	110,597	Hanjiang District, Yangzhou City
68	Agile Mountain Yangzhou	Yangzhou	100%	148,142	Hanjiang District, Yangzhou City
69	Yangzhou International Waterfront New Town Project	Yangzhou	100%	306,886	Jiangqiao Road, Yangzhou City
70	Yangzhou Huaisi Industrial Project	Yangzhou	100%	48,430	Hanjiang District, Yangzhou City
71	Agile Luxuriant Palace Zhenjiang	Zhenjiang	100%	75,795	Jingkou District, Zhenjiang City
72	Agile Landscape House Xuzhou	Xuzhou	34%	147,531	Tongshan District, Xuzhou City
73	Agile Fuchun Mountain Xuzhou	Xuzhou	50%	132,397	Yunlong District, Xuzhou City
74	Xuzhou Gulou District Project	Xuzhou	30%	41,100	Gulou District, Xuzhou City
75	Landscape Hefei	Hefei	49%	92,216	Luyang District, Hefei City
76	Agile County Hefei	Hefei	100%	75,608	Xinzhan District, Hefei City
77	Hefei Feidong Industrial Project	Hefei	100%	79,893	Circular Economy Demonstration Park, Hefei City
78	Agile New Joy Mansion Wuhu	Wuhu	60%	124,059	Yijiang District, Wuhu City
79	Agile Sheshan One Shanghai (Formerly known as Shanghai Songjiang District Project)	Shanghai	30%	88,442	Songjiang District, Shanghai City
80	Agile Guanghe City Jiaxing	Jiaxing	40%	31,163	Jiashan County, Jiaxing City
81	Agile Yuejingzhuang Chunfengdu Jiaxing	Jiaxing	50%	31,025	Tongxiang City, Jiaxing City
82	Huzhou Fenghuang District East Project	Huzhou	50%	65,257	Fenghuang District East, Huzhou City
83	Huzhou High Technology Town Project	Huzhou	100%	74,689	Changxing County, Huzhou City
84(A)	Agile Dream Lake Fairy Hill Changzhou Project A	Changzhou	100%	614,915	Jintan District, Changzhou City
84(B)	Agile Dream Lake Fairy Hill Changzhou Project B	Changzhou	95%	352,357	Jintan District, Changzhou City
85	Agile Tangsong Changzhou	Changzhou	100%	129,136	Zhonglou District, Changzhou City
86	Mansion of Lake Changzhou	Changzhou	49%	68,563	Wujin District, Changzhou City
87	Agile The Rivulet Changzhou	Changzhou	34%	98,451	Xinbei District, Changzhou City
88	Changzhou Industry Project	Changzhou	100%	85,644	Meixi Road, Changzhou City
89	Agile Talent Mansion Changzhou (Formerly known as Changzhou Tianning District Project)	Changzhou	50%	40,131	Xinbei District, Changzhou City
90	Yixing Guanlin Industry Project	Yixing	100%	121,827	Guanlin Town, Yixing City
91	Agile Phoenix Terrace Changzhou	Changzhou	100%	142,321	Xinbei District, Changzhou City
92	Agile Jingshang Yachen Changzhou	Changzhou	100%	48,985	Xinbei District, Changzhou City
93	Agile City Center Villa Wuxi	Wuxi	100%	214,664	Binhu District, Wuxi City
94	Life in Park Wuxi	Wuxi	50%	89,647	Xinwu District, Wuxi City



	Land Bank (sq.m.) (Note 1)							Completion Period	
	Total Planned GFA of the Project (sq.m.)	Development Stage (B)			Planning Nature (C)				
		Total Planned GFA (A) (sq.m.)	Completed (B1)	Under Development (B2)	Held for Future Development (B3)	Residential & Ancillary Facilities (C1)	Hotel (C2)		Commercial & Office (C3)
	59,600	396	396	-	-	396	-	-	30/5/2016
	910,561	37,267	37,267	-	-	-	-	37,267	29/11/2019
	98,425	98,425	-	98,425	-	98,425	-	-	30/9/2023
	702,531	702,531	-	323,398	379,133	267,838	30,010	404,683	By Q4, 2025
	155,769	155,769	-	155,769	-	155,769	-	-	30/12/2023
	436,858	307,354	-	139,233	168,121	168,121	139,233	-	30/10/2027
	235,600	7,789	7,789	-	-	4,557	-	3,231	15/12/2021
	527,893	357,524	2,578	165,923	189,023	298,009	-	59,515	30/12/2025
	77,017	60,494	-	60,494	-	-	-	60,494	30/5/2023
	127,524	34,170	453	33,717	-	34,170	-	-	25/10/2024
	177,037	109,897	109,897	-	-	109,897	-	-	30/12/2022
	175,912	89,147	-	89,147	-	89,147	-	-	30/6/2023
	99,804	99,804	-	99,804	-	99,804	-	-	20/9/2023
	185,483	67,672	110	67,562	-	67,562	-	110	31/12/2022
	135,495	44,227	-	44,227	-	43,409	-	817	30/4/2023
	111,073	111,073	-	93,781	17,292	-	-	111,073	30/6/2024
	272,930	3,122	3,122	-	-	1,426	-	1,696	15/8/2021
	102,524	103,678	-	103,678	-	103,678	-	-	30/12/2023
	68,559	5,409	5,409	-	-	5,409	-	-	30/9/2022
	70,867	70,867	-	70,867	-	70,867	-	-	30/9/2023
	133,842	68,969	11,363	57,606	-	65,830	-	3,139	30/10/2023
	105,580	23,124	23,124	-	-	23,124	-	-	15/12/2021
	297,309	74,966	-	-	74,966	74,966	-	-	30/6/2025
	183,468	69,911	-	-	69,911	69,911	-	-	30/12/2025
	282,740	76,148	-	76,148	-	76,148	-	-	30/4/2023
	143,525	143,525	-	143,525	-	143,525	-	-	30/12/2022
	151,330	74,105	1,538	72,567	-	74,105	-	-	30/9/2023
	121,712	55,280	-	55,280	-	-	-	55,280	15/3/2023
	80,685	80,685	-	80,685	-	80,685	-	-	30/12/2024
	109,824	68,900	-	43,152	25,748	-	-	68,900	30/12/2024
	170,785	19,977	-	19,977	-	19,977	-	-	30/3/2023
	107,599	107,599	-	107,599	-	107,599	-	-	30/8/2023
	590,325	192,651	65,069	127,582	-	65,069	11,139	116,443	30/12/2024
	160,905	160,905	-	160,905	-	160,905	-	-	30/6/2025



No.	Project Name	City	Interests Attributable to the Group [Note 2]	Total Site Area of the Project (sq.m.)	Location
95	Agile Honor Mansion Wuxi	Wuxi	50%	88,976	Jiangyin City, Wuxi City
96	Revive Mansion Wuxi (Formerly known as Wuxi Economic Development Zone Project)	Wuxi	23%	21,820	Economic Development Zone, Wuxi City
97	Agile Metropolis Nantong	Nantong	40%	141,257	Haimen City, Nantong City
98	Agile Central Mansion Qidong	Qidong	50%	49,737	Jinqiao Road, Qidong City
99	Qidong Huashi Road East Project	Qidong	40%	72,182	Huashi Road East, Qidong City
100	Taizhou Industry Project	Taixing	100%	62,294	Jichuan Street, Taixing City
101	Huai'an Industry Project	Huaian	100%	65,855	Xinzhu Street, Huai'an City
102	Agile Luxuriant Palace Suzhou	Suzhou	100%	81,202	Xiangcheng Development Zone, Suzhou City
103	Suzhou Caohu Project (Formerly known as Agile Yayue Courtyard Suzhou)	Suzhou	51%	49,913	Xiangcheng District, Suzhou City
104	Agile Shanyue County Changshu	Changshu	100%	68,001	Changfu Street, Changshu City
105	Agile Lake Whisper Garden Kunshan	Kunshan	100%	60,291	Dianshan Lake Town, Kunshan City
106	Long Beach Fuzhou	Fuzhou	49%	70,618	Ting Jiang District, Fuzhou City
107	Agile Mountains & Aqua Fuzhou	Fuzhou	100%	39,096	Mawei District, Fuzhou City
108	Fuzhou Cangshan District Project	Fuzhou	100%	20,007	Cangshan District, Fuzhou City
109	Agile Chairman Xiamen	Xiamen	100%	12,206	Xiang'an District, Xiamen City
110	Agile Xiangshan in the Bay Zhangzhou	Zhangzhou	51%	353,391	Zhangpu County, Zhangzhou City
111	Agile Champion Town Weihai	Weihai	64.8%	2,652,910	Nanghai New District, Weihai City
112	Jiangshan The One Jinan	Jinan	33%	23,856	Zhangqiu District, Jinan City
113	Agile City of Lohas Jinan	Jinan	100%	69,495	Changqing District, Jinan City
Eastern China Region Subtotal				8,391,021	
Western China Region					
114	Agile Garden Chengdu	Chengdu	100%	1,338,960	Shuangliu County, Chengdu City
115	Agile Born to Shine Chengdu	Chengdu	49%	56,005	Qingbaijiang District, Chengdu City
116	Flowers Island Chengdu	Chengdu	33%	69,999	Xinjin County, Chengdu City
117	Agile City of Lohas Chengdu	Chengdu	100%	66,009	Xinjin County, Chengdu City
118	Agile Boguang County Chengdu	Chengdu	49%	98,028	Wenjiang District, Chengdu City
119	IN Tian Fu Chengdu	Chengdu	30%	97,626	Chenghua District, Chengdu City
120	Agile Nine Foothills Chengdu	Chengdu	51%	372,732	Sanlang Town, Chongzhou, Chengdu City
121	Chengdu Jianyang Project (Formerly known as Agile Yuejiang Lai Chengdu)	Chengdu	34%	62,450	Shiqiao Street, Jianyang City, Chengdu City
122	Yibin Xuzhou District Project	Yibin	100%	150,963	Beside Tsinghua Road in Guiyang Economic and Technological Development Zone, Guiyang City
123	Agile Life Diary Xi'an	Xi'an	100%	277,519	Chang'an District, Xi'an City
124	Agile North City County Xi'an	Xi'an	51%	128,087	Xixian New District, Xi'an City
125	Xi'an Lianhu District Project	Xi'an	49%	68,651	Daxing New District, Xi'an City
126	Baoji Taibai Mountain National Tourism Scenic Area Project	Baoji	35%	105,816	Mei County, Baoji City
127	Agile Garden Hanzhong	Hanzhong	100%	442,647	Hantai District, Hanzhong City





	Land Bank (sq.m.) (Note 1)								Completion Period
	Total Planned GFA of the Project (sq.m.)	Total Planned GFA (A) (sq.m.)	Development Stage (B)			Planning Nature (C)			
			Completed (B1)	Under Development (B2)	Held for Future Development (B3)	Residential & Ancillary Facilities (C1)	Hotel (C2)	Commercial & Office (C3)	
	179,262	179,262	-	179,262	-	179,262	-	-	30/6/2024
	49,039	49,039	-	49,039	-	49,039	-	-	30/12/2023
	296,640	9,436	9,436	-	-	-	-	9,436	21/4/2022
	128,131	128,131	-	128,131	-	110,381	-	17,750	30/6/2024
	138,019	137,165	-	74,838	62,328	137,165	-	-	30/6/2026
	63,037	27,472	-	27,472	-	-	-	27,472	27/2/2023
	66,101	66,101	-	33,483	32,618	-	-	66,101	30/3/2024
	162,404	387	-	387	-	-	-	387	19/8/2022
	89,746	89,746	-	89,746	-	89,746	-	-	15/12/2023
	106,989	106,989	-	106,989	-	106,989	-	-	30/6/2023
	108,481	60,415	2,234	58,181	-	60,415	-	-	15/5/2023
	197,730	197,730	-	197,730	-	197,730	-	-	10/10/2022
	62,519	5,583	5,583	-	-	5,583	-	-	24/12/2019
	41,931	41,931	-	41,931	-	41,931	-	-	30/12/2022
	29,300	38	38	-	-	38	-	-	26/12/2019
	1,140,725	1,081,732	189,420	77,748	814,563	1,081,732	-	-	By Q4, 2026
	2,945,289	2,862,355	42,863	193,264	2,626,228	2,653,250	72,000	137,105	30/12/2045
	38,008	1,136	1,136	-	-	1,136	-	-	2/6/2021
	186,601	186,601	-	186,601	-	186,601	-	-	30/6/2023
	13,401,042	8,914,608	518,823	3,935,854	4,459,931	7,481,328	252,382	1,180,898	
	1,606,752	83,853	83,853	-	-	-	75,167	8,686	30/6/2020
	112,011	21,387	18,669	2,718	-	21,387	-	-	30/9/2023
	139,572	36,103	36,103	-	-	36,103	-	-	30/3/2022
	165,023	416	416	-	-	416	-	-	14/3/2022
	245,811	240,210	94,052	146,158	-	182,509	-	57,701	30/12/2024
	244,000	153,407	4,804	148,603	-	110,846	-	42,561	30/10/2023
	445,734	389,039	69,908	14,909	304,222	383,685	5,354	-	30/9/2028
	156,125	156,125	-	83,262	72,863	142,577	-	13,548	30/6/2025
	421,853	421,853	-	112,675	309,178	421,853	-	-	30/6/2027
	691,434	114,444	821	70,447	43,176	821	-	113,623	30/12/2023
	246,958	206,657	287	201,402	4,968	206,657	-	-	15/12/2023
	192,223	192,223	-	-	192,223	192,223	-	-	8/6/2025
	116,331	95,616	5,811	30,866	58,939	95,616	-	-	30/12/2026
	1,244,476	765,596	9,991	397,343	358,262	765,596	-	-	30/3/2027



No.	Project Name	City	Interests Attributable to the Group (Note 2)	Total Site Area of the Project (sq.m.)	Location
128	Agile Hanlin Garden Weinan	Weinan	51%	43,637	Downtown Weinan City
129	Guiyang Huaxi District Project (Formerly known as Agile Cambridgeshire Guiyang)	Guiyan	51%	29,104	Guiyang Economic and Technological Development Zone, Guiyang City
130	Agile Chairman Chongqing	Chongqing	100%	119,287	Dadukou District, Chongqing Municipality
131	Agile Mountain Chongqing	Chongqing	100%	203,112	Liangjiang New District, Chongqing Municipality
132	Lumingfu Chongqing	Chongqing	33%	157,427	Ba'nan District, Chongqing Municipality
133	Chongqing Jiahe Avenue Project (Formerly known as Agile Hanyun Garden Chongqing)	Chongqing	100%	139,225	Hechuan District, Chongqing City
134	Agile Jiulong County Chongqing	Chongqing	100%	50,035	Jiulongpo District, Chongqing Municipality
135	Agile Star County Chongqing	Chongqing	100%	112,059	Beibei District, Chongqing Municipality
136	Chongqing Tianding Yinxing Project	Chongqing	100%	98,981	Beibei District, Chongqing Municipality
137	Chongqing Ba'nan District Project	Chongqing	60%	79,883	Ba'nan District, Chongqing Municipality
138	Agile Lan'an Garden Chongqing (Formerly known as Chongqing Bishan District Project)	Chongqing	51%	75,003	Bishan District, Chongqing Municipality
Western China Region Subtotal				4,443,245	
Central China Region					
139	Bund Mansion Changsha	Changsha	50%	197,406	Kaifu District, Changsha City
140	Agile Evian Town Changsha	Changsha	100%	410,911	Ningxiang County, Changsha City
141	Agile Sunday Changsha	Changsha	100%	15,853	Economic Development Zone, Changsha City
142	Agile Forest Lake Zhengzhou	Zhengzhou	100%	78,328	Lubo Component, Zhongmou County, Zhengzhou City
143	Agile Chairman Zhengzhou	Zhengzhou	100%	49,485	Zhengdong New District, Zhengzhou City
144	Agile Celestial Mansion Zhengzhou	Zhengzhou	49%	52,189	Longhu County, Xinzheng City, Zhengzhou City
145	West City Garden Zhengzhou	Zhengzhou	33%	46,691	Shangyin West Road, Xingyang City, Zhengzhou City
146	Agile Romantic Town Gongyi	Zhengzhou	36.7%	492,100	Baisha District, Gongyi City, Zhengzhou City
147	Grand View Kaifeng	Kaifeng	51%	59,545	No. 6 Avenue, Kaifeng City
148	Guokong Kaifeng	Kaifeng	20.4%	264,008	Longting District, Kaifeng City
149	Agile International Garden Xuchang	Xuchang	49%	93,186	Dongcheng District, Xuchang City
150	Agile County of Earl Xuchang	Xuchang	100%	31,083	Dongcheng District, Weidu, Xuchang City
151	Agile Hanlinya County Xuchang	Xuchang	100%	165,972	Jian'an District, Xuchang City
152	Lantai Mansion Shangqiu	Shangqiu	49%	59,698	Suiyang District, Shangqiu City
153	Agile Nanlu Mountain Chenzhou	Chenzhou	50%	121,066	Suxian District, Chenzhou City
154	Agile International Garden Wuhan	Wuhan	100%	406,583	Jiangxia District, Wuhan City
155	Agile City of Lohas Jingzhou	Jingzhou	100%	42,113	Jingzhou District, Jingzhou City
156	Agile Modern Mansion Xiangyang	Xiangyang	100%	213,809	Dongjin New District, Xiangyang City
157	Agile Beichen County Xiangyang (Formerly known as Xiangyang Gaoxin District Project)	Xiangyang	60%	37,700	Gaoxin District, Xiangyang City
158	Jiujiang Lianxi District Project	Jiujiang	30%	230,966	Lianxi District, Jiujiang City
Central China Region Subtotal				3,068,691	



	Land Bank (sq.m.) (Note 1)								Completion Period
	Total Planned GFA of the Project (sq.m.)	Total Planned GFA (A) (sq.m.)	Development Stage (B)			Planning Nature (C)			
			Completed (B1)	Under Development (B2)	Held for Future Development (B3)	Residential & Ancillary Facilities (C1)	Hotel (C2)	Commercial & Office (C3)	
	101,004	5,312	2,603	2,709		5,312	-	-	30/12/2021
	72,390	72,390	-	50,867	21,522	72,390	-	-	30/6/2025
	348,172	2,267	2,267	-	-	2,267	-	-	30/12/2018
	367,428	90,280	10,371	27,128	52,781	90,280	-	-	30/12/2024
	366,953	-	-	-	-	-	-	-	30/12/2021
	409,627	409,627	-	76,837	332,790	409,627	-	-	30/7/2025
	104,318	25,719	17,244	8,475	-	25,719	-	-	30/7/2022
	168,142	105,844	67,429	-	38,415	67,429	-	38,415	30/12/2024
	166,967	166,967	-	-	166,967	166,967	-	-	30/6/2024
	123,347	123,347	-	61,274	62,073	123,347	-	-	30/6/2024
	113,744	113,744	-	57,898	55,845	94,203	-	19,541	20/12/2023
	8,370,393	3,992,426	424,630	1,493,572	2,074,223	3,617,829	80,521	294,076	
	670,237	289,260	226	-	289,034	-	-	289,260	By Q4, 2025
	739,641	492,089	122,273	-	369,816	450,880	9,977	31,232	15/12/2028
	72,963	2,180	2,180	-	-	2,180	-	-	1/7/2021
	196,086	1,060	1,060	-	-	1,060	-	-	25/6/2019
	74,040	5,562	5,562	-	-	5,562	-	-	19/12/2019
	156,112	54,276	-	54,276	-	54,276	-	-	15/8/2023
	116,707	116,707	-	116,707	-	116,707	-	-	30/9/2024
	765,200	588,190	73,039	226,537	288,614	467,986	9,671	110,532	20/6/2029
	148,387	-	-	-	-	-	-	-	30/6/2022
	659,141	549,149	45,952	155,324	347,873	547,144	-	2,005	31/3/2024
	243,289	5,140	136	5,004	-	5,140	-	-	30/9/2023
	40,609	2,647	2,647	-	-	2,647	-	-	30/11/2021
	444,910	444,910	-	224,996	219,913	444,910	-	-	31/7/2029
	148,950	58,806	-	-	58,806	56,235	-	2,570	31/12/2025
	145,279	145,279	-	73,485	71,794	145,279	-	-	31/5/2027
	790,694	105,842	29,936	75,906	-	105,842	-	-	30/6/2024
	146,931	25,946	7,436	18,510	-	7,436	-	18,510	30/6/2023
	442,912	197,823	706	197,117	-	95,447	-	102,376	30/11/2024
	69,820	69,820	-	69,820	-	69,820	-	-	31/5/2024
	287,360	287,360	-	85,900	201,460	287,360	-	-	30/9/2024
	6,359,268	3,442,043	291,151	1,303,582	1,847,310	2,865,909	19,648	556,486	



No.	Project Name	City	Interests Attributable to the Group (Note 2)	Total Site Area of the Project (sq.m.)	Location
Hainan Region					
159(A)	Hainan Clearwater Bay Project A	Lingshui	100%	10,427,293	Yingzhou Town, Lingshui Li Minority Autonomous County
159(B)	Hainan Clearwater Bay Project B	Lingshui	30%	177,338	Yingzhou Town, Lingshui Li Minority Autonomous County
160	Agile Starlight City Hainan	Wenchang	100%	110,098	Longlou Town, Wenchang City
161	Agile Golden Bay Hainan	Haikou	60%	408,444	West Coast, Haikou City
162	Agile Center Haikou	Haikou	60%	36,494	Main Urban Area, Haikou City
163	Agile Shanqin Bay Wanning	Wanning	51%	233,325	Longgun Town, Wanning City
164	Hainan Shangen Bay Project	Wanning	100%	41,811	Longgun Town, Wanning City
165	Lingao Nanbao Town Project	Lingao	100%	88,963	Nanbao Town, Lingao City
Hainan Region Subtotal				11,523,766	
Yunnan Region					
166	Agile International Garden Ruili	Ruili	100%	413,273	CBD area, Nongmo Lake, Ruili City
167	Agile Eden Yunnan	Tengchong	100%	2,423,266	Qushi Community, Qushi Town, Tengchong City
168	Agile Erhai Dali	Dali	100%	62,215	Economic and Technological Development Zone, Dali City, Dali Bai Autonomous Prefecture
169	Agile Quenya Yunnan	Xishuangbanna	100%	1,071,600	Jinghong City, Xishuangbanna
170	Agile Central County Kunming	Kunming	100%	114,200	Guandu District, Kunming City
171	Agile City Central Kunming	Kunming	50%	73,912	Xishan District, Kunming City
Yunnan Region Subtotal				4,158,466	
Northeast China Region					
172	Agile Garden Shenyang	Shenyang	100%	536,800	Shenbei New District, Shenyang City
173	Shenyang Hunnan District Project	Shenyang	100%	36,300	Hunnan District, Shenyang City
Northeast China Region Subtotal				573,100	
Northern China Region					
174	Tianjin Jinnan New City	Tianjin	25%	1,289,227	Jinnan District, Tianjin Municipality
175	Agile Chairman Tianjin	Tianjin	100%	85,689	Haihe Education Park, Tianjin Municipality
176	Agile Binhe County Tianjing	Tianjin	48%	802,610	Han'gu District, Tianjin Municipality
177(A)	Agile Samite Dajia Tianjin	Tianjin	50%	230,355	Haihe Education Park, Tianjin Municipality
177(B)	Tianjin Haijiao Garden Project B	Tianjin	100%	45,709	Haihe Education Park, Tianjin Municipality
178	Agile Baodi Jinqiao International Town Tianjin	Tianjin	49%	493,930	Baodi District, Tianjin Municipality
179	Agile Chairman Handan	Handan	90%	18,240	Congtai District, Handan City
180	Courtyard Handan	Handan	49%	30,581	Congtai District, Handan City
181	Agile Lohas Life Jinzhong	Jinzhong	33%	20,568	Yuci District, Jinzhong City
182	Younge'nd Peninsula Jinzhong	Jinzhong	49.5%	147,060	Yuci District, Jinzhong City
183	Beijing Yanqing District Project	Beijing	51%	198,254	Yanqing County, Beijing City
184	Agile Jinghua Ya Jun Beijing	Beijing	100%	36,478	Hexi District, Economic and Technological Development Zone, Beijing City
185	Beijing Mentougou District Project	Beijing	100%	52,916	Mentougou District, Beijing City
186	Agile Territory Epic Taiyuan	Taiyuan	95%	87,907	Yingze District, Taiyuan City
187	Agile Chairman Shijiazhuang	Shijiazhuang	100%	49,697	Zhengding New District, Shijiazhuang City
Northern China Region Subtotal				3,589,221	



	Land Bank (sq.m.) (Note 1)								Completion Period
	Total Planned GFA of the Project (sq.m.)	Development Stage (B)			Planning Nature (C)			Commercial & Office (C3)	
		Total Planned GFA (A) (sq.m.)	Completed (B1)	Under Development (B2)	Held for Future Development (B3)	Residential & Ancillary Facilities (C1)	Hotel (C2)		
	7,608,563	1,265,768	420,611	488,055	357,102	1,115,807	-	149,961	30/12/2026
	193,109	193,109	-	133,101	60,009	191,832	-	1,277	20/4/2026
	270,767	212,912	40,288	45,251	127,373	212,912	-	-	By Q4, 2025
	731,379	267,388	8,702	226,743	31,942	235,445	31,942	-	30/6/2023
	97,089	42,040	42,040	-	-	-	-	42,040	17/12/2021
	188,664	181,427	5,204	57,920	118,303	131,427	50,000	-	14/12/2025
	47,141	47,141	-	-	47,141	47,141	-	-	By Q4, 2026
	41,762	41,762	-	-	41,762	595	41,167	-	By Q4, 2026
	9,178,474	2,251,548	516,846	951,070	783,632	1,935,160	123,109	193,278	
	1,400,178	617,560	54,175	90,724	472,661	617,560	-	-	30/12/2029
	4,004,836	2,430,288	89,939	-	2,340,350	2,366,266	31,143	32,879	26/12/2037
	240,744	158,542	3,719	39,855	114,968	158,542	-	-	31/5/2027
	1,285,920	581,957	37,890	242,139	301,928	577,591	-	4,366	30/8/2029
	368,609	368,609	-	145,956	222,653	368,609	-	-	30/6/2027
	314,304	287,564	18,111	158,927	110,526	248,220	-	39,344	1/7/2027
	7,614,590	4,444,521	203,834	677,602	3,563,085	4,336,788	31,143	76,589	
	1,110,834	1,798	1,798	-	-	1,798	-	-	28/10/2021
	76,700	70,158	70,158	-	-	55,220	-	14,938	22/2/2021
	1,187,534	71,956	71,956	-	-	57,018	-	14,938	
	3,010,901	754,633	93,889	660,744	-	358,633	36,000	360,000	30/6/2024
	128,532	20,332	318	-	20,014	20,332	-	-	30/12/2023
	1,122,661	1,122,661	-	275,428	847,233	1,122,661	-	-	28/6/2036
	327,276	184,836	-	113,158	71,678	184,836	-	-	30/12/2024
	77,704	910	910	-	-	910	-	-	30/6/2022
	832,564	610,609	74,453	188,189	347,968	508,467	20,000	82,142	4/3/2027
	36,480	36,480	-	36,480	-	36,480	-	-	30/4/2023
	61,162	61,162	-	61,162	-	61,162	-	-	29/12/2023
	53,796	231	231	-	-	231	-	-	15/12/2020
	450,699	310,890	-	237,430	73,460	305,216	-	5,674	30/11/2025
	65,000	65,000	-	-	65,000	41,500	23,500	-	30/10/2026
	80,252	-	-	-	-	-	-	-	21/12/2021
	51,938	51,938	-	51,938	-	51,938	-	-	4/3/2027
	348,844	348,844	-	235,907	112,936	347,575	-	1,269	30/3/2028
	99,394	99,394	-	99,394	-	99,394	-	-	30/4/2023
	6,747,202	3,667,920	169,801	1,959,830	1,538,289	3,139,336	79,500	449,084	

No.	Project Name	City	Interests Attributable to the Group <i>(Note 2)</i>	Total Site Area of the Project (sq.m.)	Location
Hong Kong					
188(A)	Eastbourne Road Kowloon Tong Project A	Hong Kong	82%	2,010	6 Eastbourne Road, Kowloon Tong, Hong Kong
188(B)	Eastbourne Road Kowloon Tong Project B	Hong Kong	23%	2,548	8-10 Eastbourne Road, Kowloon Tong, Hong Kong
189	King's Road & Mount Parker Road Project	Hong Kong	100%	3,718	992-998 King's Road, 2-8, 10-16 Mount Parker Road, Quarry Bay, Hong Kong
Hong Kong Subtotal				8,276	
Overseas					
190	Agile Bukit Bintang Kuala Lumpur	Kuala Lumpur	70%	15,174	Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur, Malaysia
191	Agile Embassy Garden Kuala Lumpur	Kuala Lumpur	100%	12,464	Geran 10567, Lot 258 Seksyen 89A, Bandar Kuala Lumpur Malaysia
192	Agile Sky Residence Phnom Penh	Phnom Penh	85%	4,220	Monivong Boulevard, Phoum 7, Sangkat Boeung Keng Kang 3, Khan Chamkarmon, Phnom Penh, Cambodia
193	San Francisco Project 88	San Francisco	50%	2,787	88 Arkansas Street, San Francisco, CA, United States
Overseas Subtotal				34,645	
Grand Total (Note 2)				51,452,477	

Note:

1. Land bank data includes only GFA that is calculated based on plot ratio and A=B=C. The data of completed GFA and GFA under development are as at 31 December 2022. Data are derived from the Group's internal record.
2. The Group's equity interests in the projects listed in the Land Bank Table may change as a result of introduction of cooperation parties for the joint development of some of these projects. The current percentages of shareholdings listed in the Land Bank Table are for reference only.



	Total Planned GFA of the Project (sq.m.)	Land Bank (sq.m.) (Note 1)							Completion Period
		Total Planned GFA (A) (sq.m.)	Development Stage (B)			Planning Nature (C)			
			Completed (B1)	Under Development (B2)	Held for Future Development (B3)	Residential & Ancillary Facilities (C1)	Hotel (C2)	Commercial & Office (C3)	
	6,030	6,030	-	-	6,030	6,030	-	-	By Q4, 2025
	7,644	7,644	-	-	7,644	7,644	-	-	By Q4, 2025
	6,715	6,715	-	-	6,715	6,715	-	-	14/12/2025
	20,389	20,389	-	-	20,389	20,389	-	-	
	214,868	214,868	-	214,868	-	214,868	-	-	1/4/2024
	166,320	166,320	-	166,320	-	166,320	-	-	15/8/2024
	77,000	29,154	29,154	-	-	29,154	-	-	15/6/2022
	10,674	10,674	-	10,674	-	10,674	-	-	30/7/2021
	468,862	421,016	29,154	391,862	-	421,016	-	-	
	85,100,604	40,157,524	3,305,898	13,594,410	23,257,216	35,792,404	739,834	3,625,286	

DIVERSIFIED BUSINESSES

The Group believes that a diversified business portfolio can generate steady income, broaden income base and disperse operational risks. In the meantime, all business segments also fully capitalise on synergies to lay a solid foundation for long-standing development in the future.







A-Living

A-Living actively responded to the challenges and changes in the market and the industry, refocused itself on its original aspiration to serve property owners, reviewed its own deficiencies in the course of development, took great efforts to remedy problems and ensure service quality, and sought to provide better services for property owners. Meanwhile, A-Living adjusted its business strategies in view of the situation, adhered to long-termism, and pursued high-quality, sustainable development. The overall strength of A-Living was widely recognized and it ranked third among the "2022 Top 100 Property Management Companies in China".



Environmental Protection

In 2022, the environmental protection business continued to reinforce itself for advancement, with production capacity fully released, refined management solidly promoted and project operation efficiency significantly improved.



Commercial

The commercial business provides the properties in the portfolio with professional operating and management services, creating projects with Agile characteristics.



The Group has been upholding the management concept of “mutual communication for a win-win situation”. Subject to related Listing Rules and regulations, the Group keeps close dialogues with the investment community through multichannels and maintains a high level of transparency. The Group aims to enhance investors’ understanding of the Group’s business by informing the market of the Group’s operating results and latest development in a timely and precise manner. The Group also takes into account the valuable suggestions from investors when formulating future development strategies.

As at 31 December 2022, 16 investment banks and securities research companies have initiated research coverage on the securities of the Company. Currently, the Company has established contacts with over 4,000 investors and analysts.

During the year, the Group’s management and investor relations team actively organised and participated in various investor relations activities, conducting approximately 300 online and offline conversations with investors. These activities included online interim and annual results press conferences, investor briefings and non-deal roadshows conducted through online phone conversations with investors and analysts in countries and regions such as China, Singapore, Malaysia, the United Kingdom, Europe and the United States, corporate days and investor conferences organised by various investment banks and securities research companies and company visits and so on. The management had in-depth discussion with investors on the industry trend and responded proactively to investors queries on results, development strategies and so on. Besides, the Company regularly disseminates the latest operation information of the Group through announcements, press releases and company website updates in a timely and proactive manner.



Investor Relations Activities 2022

May (Online Platform)

Participated in the Non-deal Roadshow held by CGS-CIMB Securities

Participated in the Non-deal Roadshow held by Goldman Sachs

Participated in the Non-deal Roadshow held by CICC

Participated in the Non-deal Roadshow held by DBS

Participated in the Non-deal Roadshow held by Standard Chartered Bank

Participated in the Non-deal Roadshow held by Bank of America Merrill Lynch

Participated in the Non-deal Roadshow held by BNP Paribas

Participated in the Non-deal Roadshow held by UBS

June (Online Platform)

Participated in the Investors Conference held by Barclays

Participated in the Investors Conference held by Bank of America Merrill Lynch





Mr. CHEN Zhuo Lin (陳卓林), aged 61, is the Chairman of the Board and the President of the Company. Mr. Chen is the founder of the Group. He has been the Chairman of the Board and an executive Director since August 2005 and a President of the Company since March 2014. Mr. Chen is also a director of certain subsidiaries of the Company. Mr. Chen has over 30 years of extensive experience in real estate development and management. He is mainly responsible for the formulation of development strategies, directions on the operations and management of overall business, decision-making on investment projects, setting the goal of the financial year for the Group and maintaining the relationship between the Group and the Shareholders. Mr. Chen received several honorary awards, including "World Outstanding Chinese Award (世界傑出華人獎)", "Top 30 Chinese Philanthropist in 30 Years of Reform (改革開放30年·華人慈善30人)", "China Philanthropy Outstanding Contribution Individual Award (中華慈善突出貢獻人物獎)", "Top 10 Persons of the Year for China Enterprise Management Excellence Award (中國企業十大卓越管理年度人物)", "Year of the People in Education of Zhongshan (中山教育年度人物)" and "Honourary Resident in Zhongshan (中山市榮譽市民)". For the public services, Mr. Chen serves as an executive vice chairperson of the 5th China Federation of Overseas Chinese Entrepreneurs (中國僑商聯合會), an executive director of the 5th China Overseas Friendship Association (中華海外聯誼會), an honorary vice president of Chinese Language and Culture Education Foundation of China (中國華文教育基金會), an honorary chairperson of the 4th Council of Sun Yat-sen Foundation (孫中山基金會), the executive vice chairperson of the 6th Council of Guangdong Overseas Chinese Enterprises Association (廣東省僑商投資企業協會), an executive chairperson of the 4th Council of Guangdong Real Estate Chamber of Commerce (廣東省地產商會), the chairperson of the Bureau of Friends of Hong Kong Association Development Foundation, the vice president of New Home Association, the vice chairperson of the 5th Zhongshan Overseas Chinese Commercial Association (中山市僑資企業商會) and a special counsellor of Our Hong Kong Foundation. Mr. Chen is the brother of Mr. Chan Cheuk Yin, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam and also the spouse of Madam Luk Sin Fong, Fion. Mr. Chen is a director of each of Top Coast and Full Choice. Mr. Chen is also a shareholder of Full Choice.

Mr. CHAN Cheuk Yin (陳卓賢), aged 55, has been the Vice Chairperson of the Board and a non-executive Director since 25 March 2015. He was an executive Director and Vice Chairperson of the Board and Co-president of the Company from August 2005 to 28 March 2014; a non-executive Director from 28 March 2014 to 10 October 2014; an executive Director and an Acting Co-chairperson of the Board and Acting Co-president of the Company from 10 October 2014 to 25 March 2015. Mr. Chan is also a director of certain subsidiaries of the Company. He has over 30 years of extensive experience in real estate development and management. Mr. Chan is mainly responsible for providing advice to the Board on the development strategy and policy of the Group in achieving agreed corporate goals and objectives and the review of the Group's performance. Mr. Chan received several honorary awards, including "Guangdong Province Outstanding Entrepreneurs of Privately-owned Enterprises (廣東省優秀民營企業家)", "2006-2007 The Most Respected Entrepreneurs in Guangzhou, PRC (2006-2007年中國廣州最受尊敬企業家)" and "Top 10 Philanthropist in Guangdong (廣東十大慈善人物)". For the public services, he is an honorary chairperson of the 3rd Council of Guangdong Provincial Qiaoxin Charity Foundation (廣東省僑心慈善基金會). He was also an honorary vice chairperson of China Charity Federation (中華慈善總會) in 2007 and the executive chairperson of Guangdong Real Estate Chamber of Commerce (廣東省地產商會). Mr. Chan is the brother of Mr. Chen Zhuo Lin, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam and the brother-in-law of Madam Luk Sin Fong, Fion. Mr. Chan is a director and shareholder of Full Choice.





Madam LUK Sin Fong, Fion (陸倩芳), aged 61, has been the Vice Chairperson of the Board and a non-executive Director since 25 March 2015. She was an executive Director, Vice Chairperson of the Board and Co-president of the Company from August 2005 to 28 March 2014; a non-executive Director from 28 March 2014 to 10 October 2014; an executive Director, an Acting Co-chairperson of the Board and an Acting Co-president of the Company from 10 October 2014 to 25 March 2015. She is also a member of the remuneration committee and the nomination committee of the Board and a director of certain subsidiaries of the Company. Madam Luk has over 30 years of extensive experience in real estate development and management; in particular she has outstanding achievement in strategic marketing and marketing management. She is mainly responsible for providing advice to the Board on the development strategy and policy of the Group in achieving agreed corporate goals and objectives and the review of the Group's performance. Madam Luk holds a Master's degree in Business Administration from Western Sydney University (formerly known as University of Western Sydney) in Australia. She received several honorary awards, including "Honourary Resident in Foshan (佛山市榮譽市民)", "Honourary Resident in Nanhai District (南海區榮譽市民)", "Zhongshan Outstanding Entrepreneurs (中山優秀企業家)", "China Top 10 Excellent CBO (中國十大卓越CBO)" and "Honourary Resident in Zhongshan (中山市榮譽市民)". For the public services, Madam Luk is currently the vice chairperson of Guangzhou Real Estate Association (廣州市房地產協會). She was also an honorary chairperson of Guangdong Provincial Qiaoxin Charity Foundation (廣東省僑心慈善基金會). Madam Luk is the spouse of Mr. Chen Zhuo Lin, and also the sister-in-law of Mr. Chan Cheuk Yin, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam. Madam Luk is a director of Top Coast.

Mr. CHAN Cheuk Hung (陳卓雄), aged 65, has been an executive Director since August 2005. He is also a member of the risk management committee of the Board, the Vice President of the Company and a director of certain subsidiaries of the Company. Mr. Chan has over 30 years of extensive experience in real estate development and related business. He is mainly responsible for providing guidance for the overall operation of the Group, and the strategic planning of A-Living Group and A-City Eco Group of the Group. Mr. Chan received several honorary awards, including "Honourary Resident in Foshan (佛山市榮譽市民)" and "Community Construction Outstanding Contribution Award (小區建設突出貢獻獎)" in National Xiaokang Housing Demonstration Community Competition (國家小康住宅示範小區評比) hosted by Ministry of Construction (國家建設部) in 2000. For the public services, he was a standing committee member of Guangdong Province Real Estate Association (廣東省房地產協會) in 2004. Mr. Chan is an executive director and the co-chairman of the board, and a member of the risk management committee of A-Living (stock code: 3319). Mr. Chan is the brother of Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam and the brother-in-law of Madam Luk Sin Fong, Fion.

Mr. HUANG Fengchao (黃奉潮), aged 60, has been an executive Director since 28 March 2014. He is also the chairperson of the risk management committee of the Board, the Vice President of the Company, Co-chairman of A-City Eco Group and a director of certain subsidiaries of the Company. He is mainly responsible for providing foresighted and constructive opinion on the operation management and development strategy of the Group, and also formulating the overall strategic development of the A-Living Group and A-City Eco Group of the Group and supervising their implementation. Mr. Huang graduated from Guangdong Petroleum School (廣東石油學校) (now known as Guangdong University of Petrochemical Technology) (廣東石油化工學院) majoring in turbine management. Since joining the Group in 1999, Mr. Huang had been the head of real estate management centre of the Group, general manager of Huadu and Nanhu projects and regional head of Hainan and Yunnan region. Prior to joining the Group, he worked for ExxonMobil (China) Co. Ltd. (美國埃索(中國)有限公司) and France TOTAL (China) Ltd. (法國道達爾(中國)有限公司). He is also an executive director, the co-chairman of the board, the chairperson of the risk management committee and the nomination committee, and a member of the remuneration and appraisal committee of A-Living (stock code: 3319).



Mr. CHAN Cheuk Hei (陳卓喜), aged 64, has been a non-executive Director since 28 March 2014. He was an executive Director and a Vice President of the Company from August 2005 to 28 March 2014. Mr. Chan is also a director of certain subsidiaries of the Company. Mr. Chan has over 30 years of extensive experience in real estate development and related business. He is mainly responsible for providing advice to the Board on the development strategy and policy of the Group in achieving agreed corporate goals and objectives and the review of the Group's performance. Mr. Chan is the brother of Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Mr. Chan Cheuk Hung and Mr. Chan Cheuk Nam and the brother-in-law of Madam Luk Sin Fong, Fion.

Mr. CHAN Cheuk Nam (陳卓南), aged 59, has been a non-executive Director since 28 March 2014. He was an executive Director and a Vice President of the Company from August 2005 to 28 March 2014. Mr. Chan is also a director of certain subsidiaries of the Company. Mr. Chan has over 30 years of extensive experience in real estate development and management. He is mainly responsible for providing advice to the Board on the development strategy and policy of the Group in achieving agreed corporate goals and objectives and the review of the Group's performance. Mr. Chan is the brother of Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Mr. Chan Cheuk Hung and Mr. Chan Cheuk Hei and the brother-in-law of Madam Luk Sin Fong, Fion.





Dr. CHENG Hon Kwan (鄭漢鈞), *GBS, OBE, JP*, aged 95, has been an independent non-executive Director since 27 October 2005. He is also the chairperson of the remuneration committee and a member of the audit committee and the nomination committee of the Board. Dr. Cheng is mainly responsible for providing independent advice to the Board. He holds a Bachelor of Science in Engineering degree from Tianjin University and a postgraduate diploma from Imperial College London. Dr. Cheng was also awarded several honorary doctorate degrees by The Hong Kong University of Science and Technology, City University of Hong Kong, Hong Kong Metropolitan University and The Open University, United Kingdom, and is an honorary fellow of Imperial College London and City and Guilds of London Institute. Dr. Cheng is a past president, honorary fellow and gold medallist of The Hong Kong Institution of Engineers; past vice president, fellow and gold medallist of The Institution of Structural Engineers; fellow of The Institution of Civil Engineers, United Kingdom and American Society of Civil Engineers; an honorary fellow of The Institution of Engineers, Australia and Hong Kong Institute of Architects and an honorary member of The Hong Kong Institute of Planners. He obtained PRC Class 1 Registered Structural Engineer qualification and is an Authorised Person and a Registered Structural Engineer under the Buildings Ordinance (Chapter 123 of the laws of Hong Kong). Dr. Cheng is a past chairman of Hong Kong Housing Authority and Transport Advisory Committee, a past member of both Executive Council and Legislative Council and a past member of Standing Committee of the Tianjin Committee of the Chinese People's Political Consultative Conference. Dr. Cheng is currently a permanent honorary chairman of Hong Kong Tianjin Friendship Association and an independent non-executive director of Tianjin Development Holdings Limited* (stock code: 882).

Mr. KWONG Che Keung, Gordon (鄺志強), aged 73, has been an independent non-executive Director since 27 October 2005. He is also the chairperson of the audit committee and a member of the remuneration committee and the nomination committee of the Board. Mr. Kwong is mainly responsible for providing independent advice to the Board. He holds a Bachelor of Social Science degree from The University of Hong Kong and is a fellow member of both The Institute of Chartered Accountants in England and Wales and The Hong Kong Institute of Certified Public Accountants. Mr. Kwong is currently an independent non-executive director of Henderson Land Development Company Limited* (stock code: 12), Henderson Investment Limited* (stock code: 97), Chow Tai Fook Jewellery Group Limited* (stock code: 1929), FSE Lifestyle Services Limited* (stock code: 331), COSCO SHIPPING International (Hong Kong) Co., Ltd.* (stock code: 517), Shanghai Commercial Bank Limited and Piraeus Port Authority S.A. (a company listed in Athens, Greece). He retired as an independent non-executive director of Global Digital Creations Holdings Limited* (stock code: 8271) in May 2020, China Power International Development Limited* (stock code: 2380) in June 2021 and NWS Holdings Limited* (stock code: 659) in November 2022. Mr. Kwong was a partner of Pricewaterhouse from 1984 to 1998 and a council member of Hong Kong Stock Exchange from 1992 to 1997.

* Listed on Hong Kong Stock Exchange

Mr. HUI Chiu Chung, Stephen (許照中), JP, aged 75, has been an independent non-executive Director since 27 June 2014. He is also the chairperson of the nomination committee, a member of the audit committee and the remuneration committee of the Board. Mr. Hui is mainly responsible for providing independent advice to the Board. He has over 50 years of experience in the securities and investment industry. He is a senior fellow member of Hong Kong Securities and Investment Institute and a fellow member of The Hong Kong Institute of Directors. He served as a council member and vice chairman of Hong Kong Stock Exchange, a member of the Advisory Committee of the Hong Kong Securities and Futures Commission ("SFC"), a director of the Hong Kong Securities Clearing Company Limited, an appointed independent non-executive director of Hong Kong Exchange and Clearing Limited, a member of the Listing Committee of Hong Kong Stock Exchange, an appointed member of the Securities and Futures Appeal Tribunal, a member of the Standing Committee on Company Law Reform, an appointed member of the Hong Kong Institute of Certified Public Accountants Investigation Panel A, a member of the Committee on Real Estate Investment Trusts of the SFC, an appointed member of Zhuhai Municipal Committee of the Chinese People's Political Consultative Conference, a member of Hengqin New Area Development Advisory Committee and a consultant of Hong Kong and Macao Legal Issues Expert Group of The Administrative Committee of Hengqin New Area, Zhuhai. Mr. Hui is appointed by the Government of Hong Kong as a Justice of the Peace. He is currently a non-executive director of Luk Fook Holdings (International) Limited* (stock code: 590) and the chairman and chief executive officer of Luk Fook Financial Services Limited. He also serves as an independent non-executive director of China South City Holdings Limited* (stock code: 1668), Gemdale Properties and Investment Corporation Limited* (stock code: 535), Lifestyle International Holdings Limited (formerly stock code: 1212) (the shares of which were delisted from Hong Kong Stock Exchange in December 2022), SINOPEC Engineering (Group) Co., Ltd. 中石化煉化工程(集團)股份有限公司* (stock code: 2386), FSE Lifestyle Services Limited* (stock code: 331) and HK Acquisition Corporation* (stock code: 7841). He has ever been an independent non-executive director of Zhuhai Holdings Investment Group Limited (formerly stock code: 908), the shares of which were delisted from Hong Kong Stock Exchange on 18 June 2021.

Mr. WONG Shiu Hoi, Peter (黃紹開), aged 82, has been an independent non-executive Director since 27 June 2014. He is also a member of the audit committee, the nomination committee, the remuneration committee and the risk management committee of the Board. Mr. Wong is mainly responsible for providing independent advice to the Board. He holds a Master of Business Administration degree from the University of Macau (formerly known as the University of East Asia, Macau). Mr. Wong possesses over 40 years of experience in the financial services industry. For the public services, he was a former chairman of The Hong Kong Institute of Directors, a former member of Standing Committee on Company Law Reform, Listing Committee of Hong Kong Stock Exchange, Financial Services Advisory Committee and Professional Services Advisory Committee of the Hong Kong Trade Development Council and a former director of the Hong Kong Securities and Investment Institute. He is currently an independent non-executive director of Tianjin Development Holdings Limited* (stock code: 882) and Tai Hing Group Holdings Limited* (stock code: 6811). He retired as an independent non-executive director of High Fashion International Limited* (stock code: 608) in June 2021 and resigned as an independent non-executive director of Target Insurance (Holdings) Limited* (stock code: 6161) in August 2021. He also resigned as a consultant of Halcyon Holdings Limited in September 2021.

* Listed on Hong Kong Stock Exchange





Mr. PAN Zhiyong (潘智勇), aged 53, is the Senior Vice President of the Company, mainly performs the duties of the chief financial officer in the Group. Mr. Pan is also a director of certain subsidiaries of the Company. Mr. Pan joined the Group in 2017. He is mainly responsible for the management of financial, development, information technology of the Company, the affairs of Hong Kong Headquarters (Company Secretarial Department, Capital Markets Department and Hong Kong office) and the Capital Group of the Group. Before joining the Group, Mr. Pan had held various positions in Agricultural Bank of China Limited ("ABC"), Guangdong branch including the general manager of Marketing Department, Institutional Banking Division and Corporate Banking Department, assistant president and vice president. He had been the president of ABC, Zhaoqing branch. Mr. Pan holds a Bachelor degree in Economics from Jinan University, a Master's degree in Business Administration and a Doctoral degree in Management from South China University of Technology. Mr. Pan also has a senior economist qualification. He was awarded the "Ten Outstanding Young Persons of ABC Guangdong Branch (中國農業銀行廣東省分行十大傑出青年)" in 2009, Model Worker of Zhaoqing (肇慶市勞動模範)" in 2010, Senior Financial Management Talent of Guangzhou (廣州市金融高級管理人才) in 2015, China's Top 10 Financial Management Innovation Leaders in 2019 (2019年度中國十大財務管理創新領軍人才) and Industrial Development and Innovative Talents of Guangzhou in 2019 (2019年度廣州市產業發展和創新人才). He is the deputy secretary of Guangdong Venture Capital and Private Equity Association (廣東省創業投資協會), executive director of China Mergers & Acquisitions Association (中國併購公會) and co-president of Zhongguancun Private Equity & Venture Capital Association (中關村股權投資協會).

Mr. LIU Tongpeng (劉同朋), aged 52, is the Senior Vice President of the Company and the Chairman of the Property Group of the Group. Mr. Liu is also a director of certain subsidiaries of the Company. Mr. Liu joined the Group in November 2018. He is mainly responsible for the management of Operation Centre, Investment Centre, Direct Sales Centre, Cost Procurement Centre and Human Resources and Administration Centre of the Company. Prior to joining the Group, Mr. Liu held different positions in Industrial and Commercial Bank of China, including vice president and president of Zhongshan Branch and vice president of Guangdong Branch. Mr. Liu holds a Bachelor of Economics degree from Hunan Finance and Economics University. He is a senior economist. He was awarded the "China's Real Estate Development Leader (中國地產開發領軍人物)" and "China's Top 10 Real Estate CEOs in 2021 (2021年中國十大地產年度 CEO)" in 2021"

Mr. WANG Haiyang (王海洋), aged 52, is the Senior Vice President of the Company and the co-chairman of the A-City Eco Group of the Group and president of Property Group of the Group. Mr. Wang is also a director of certain subsidiaries of the Company. Mr. Wang joined the Group in July 2011. He is mainly responsible for the management of Construction Centre, Audit and Legal Centre of the Company and A-City Eco Group and Environmental Protection Group of the Group. He was the general manager of China Machinery TDI International Engineering Co., Ltd., Zhongshan branch office (中機十院國際工程有限公司中山分公司). Mr. Wang holds a Bachelor's degree in Construction Engineering from Xi'an University of Technology. He obtained PRC Class 1 Registered Structural Engineer qualification. He was awarded the "The 6th Model of Honesty and Faithfulness of Hainan Province (第六屆海南省誠實守信道德模範)". He is the vice chairperson of Guangdong Province Real Estate Association (廣東省房地產協會), executive vice chairperson of Guangdong Commercial Real Estate Investment Association (廣東省商業地產投資協會) and member of the 8th council of China Real Estate Association (中國房地產協會).



Madam YUE Yuan (岳元), aged 47, is the Vice President of the Company and Property Group of the Group and an assistant to Chairman. Madam Yue is also a director of certain subsidiaries of the Company. Madam Yue joined the Group in 2006. She is mainly responsible for the management of Operation Centre, Cost Procurement Centre, Human Resources and Administration Centre of the Company, Chairman's Office and Property Group of the Group. Madam Yue holds a Bachelor of Engineering degree from Lanzhou Jiaotong University (formerly known as Lanzhou Railway University) and a Master of Science degree in Construction Project Management from the University of Hong Kong. She is a PRC registered budgeting engineer and a member of the Royal Institution of Chartered Surveyors. Madam Yue is also a non-executive director of A-Living (stock code: 3319).

Madam DING Xiaoying (定曉穎), aged 47, is the Vice President of the Company. Madam Ding joined the Group in July 2015. She is mainly responsible for the management of Audit and Legal Centre of the Company. Madam Ding holds a Bachelor degree in Architectural Engineering and Master of Engineering degree from Wuhan University. She is also qualified as a PRC certified builder, a certified cost engineer and a senior engineer. Madam Ding is an executive director of Guangzhou Institute of Internal Audit (廣州市內部審計協會) and a director of Guangdong Enterprise Institute for Internal Controls (廣東省企業內部控制協會).

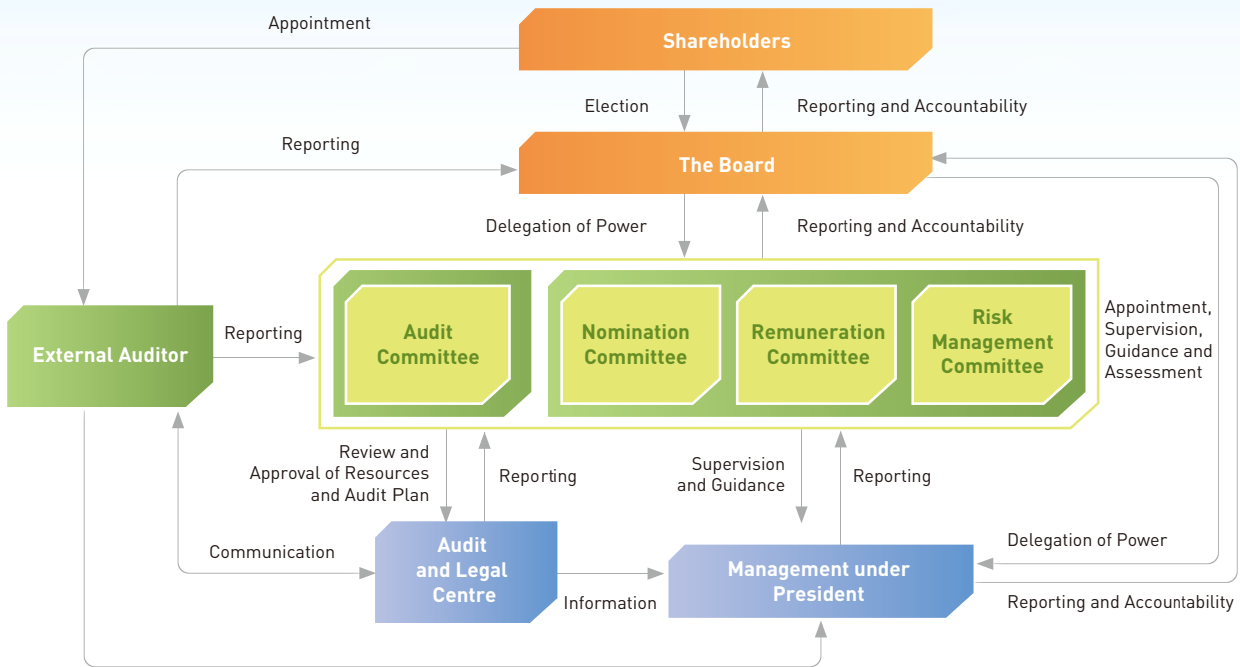
Mr. Cheung Chung Leuk (張中略), aged 40, is the Vice President and General Manager of the Sales and Marketing Centre of the Company and the Vice President of Property Development of the Group. Mr. Cheung joined the Group in March 2016. He is mainly responsible for the management of the Sales and Marketing Centre of the Company. Mr. Cheung has over 16 years of practical experience in large-scale real estate development management and has extensive experience in market strategy, business operations, marketing management, brand strategy, etc. Mr. Cheung holds a Bachelor's degree in Management from Jinan University (暨南大學). He is the Chairman of Brand Development Committee and Executive Vice President of Guangzhou Real Estate Trade Association (廣州市房地產行業協會) and Guangzhou Institute of Real Estate (廣州市房地產學會), and an Instructor of Advanced Studies Seminar in Real Estate of Guangzhou Real Estate Trade Association.

Mr. Ng Wai Hung (吳偉雄), aged 59, is the Company Secretary, of the Company. Mr. Ng is a practising solicitor in Hong Kong and a partner of Lu, Lai & Li Solicitors and Notaries. Mr. Ng has extensive experience in the areas of securities law, corporate law and commercial law in Hong Kong and has been involved in many initial public offerings of securities in Hong Kong as well as corporate restructuring, mergers and acquisitions and takeovers of listed companies in Hong Kong. Mr. Ng is a non-executive director of Coolpad Group Limited* (stock code: 2369). Mr. Ng also serves as an independent non-executive director of Lajin Entertainment Network Group Limited* (stock code: 8172), Xinyi Electric Storage Holdings Limited* (stock code: 8328) and Winshine Science Company Limited* (stock code: 209).

* Listed on Hong Kong Stock Exchange



Corporate Governance Structure



“Empathy” stands as the core values of the Company. The Company promotes a caring culture and respects the nature and every person’s needs. The Company strives to promote the development of its business to create and enhance Shareholders’ value and to bring returns to its Shareholders in a sustainable manner. It also strives for creating and delivering long-term value to its employees, customers, investors and the nature in its operation and development. Please refer to the Environmental, Social and Governance Report published by the Company for environmental and social risks and opportunities of the Company.

The Board believes that good governance is essential for achieving the objectives of the Company. As such, with reference to the CG Code, the Board has adopted its own corporate governance policy which provides guidance on how corporate governance principles are applied in the Company, and the Board reviews corporate governance practices from time to time in light of the new regulatory requirements and the needs of the Company. The Company is committed to maintaining a high level of corporate governance and adheres to the principles of integrity, transparency, accountability and independence. This corporate governance report helps Shareholders to understand and evaluate the corporate governance practices of the Company.

The Board plays a major role in the supervision of corporate governance to ensure that the Company maintains a sound governance framework and preserve long-term sustainable Shareholders’ value by way of, without limitation to, the:

- (a) formulation and review of the Company’s policies and practices on corporate governance;
- (b) review and monitoring of the training and continuous professional development of Directors and senior management;
- (c) review and monitoring of the Company’s policies and practices in compliance with legal and regulatory requirements;
- (d) formulation, review and monitoring of the code of conduct and compliance applicable to employees and Directors;
- (e) with the advice and assistance from the audit committee and the risk management committee, review and monitoring of the risk management and internal control systems of the Company to ensure their effectiveness; and
- (f) review of the Company’s compliance with the CG Code and disclosure in interim reports and annual reports.



During the year ended 31 December 2022, the Board:

1. reviewed the Company's policies and practices on corporate governance;
2. reviewed and monitored the compliance with applicable legal and regulatory requirements;
3. reviewed the compliance with Securities Dealing Code for Directors;
4. reviewed and monitored the code of conduct and compliance manual applicable to employees and directors;
5. reviewed and monitored the training and continuous professional development of Directors and senior management;
6. reviewed the effectiveness of the risk management and internal control systems; and
7. reviewed the Company's compliance with the CG Code and disclosure in the corporate governance report in 2021 annual report.

During the year ended 31 December 2022, the Company has fully complied with all code provisions of the CG Code except for deviations to code provision C.2.1. Please refer to the paragraph headed "Chairman and President" below.

The Board and Management

The Board takes Shareholders' interests as its priority and takes into account the interests of other stakeholders in its operation and development. The Board is responsible for formulating the business and management directions of the Group in such a way as to achieve the objectives of the Company. It formulates corporate strategy and long-term business model of the Group and monitors and controls operating and financial performance in pursuit of strategic objectives of the Group.

The Board delegates day-to-day operations of the Group to the management of the Company. The Board and the management have clearly defined their authorities and responsibilities under various internal control and check and balance mechanisms. The Board does not delegate matters to the Board committee(s), executive Directors or management to an extent that would significantly hinder or reduce the ability of the Board as a whole to perform its functions.

The Board reviews the arrangements from time to time to ensure that the delineation between the Board and the management remains appropriate to the needs of the Company.

Board Composition

The Company is headed by the Board which comprises eleven Directors, including three executive Directors (namely Mr. Chen Zhuo Lin (Chairman and President), Mr. Chan Cheuk Hung and Mr. Huang Fengchao), four NEDs (namely Mr. Chan Cheuk Yin (Vice Chairperson), Madam Luk Sin Fong, Fion (Vice Chairperson), Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam) and four INEDs (namely Dr. Cheng Hon Kwan, Mr. Kwong Che Keung, Gordon, Mr. Hui Chiu Chung, Stephen and Mr. Wong Shiu Hoi, Peter). The biographical details and relationship amongst them, if any, are set out on pages 54 to 58 of this annual report.



Chairman and President

The corporate governance policy of the Company sets out the roles of the chairman and the president who is also playing the role of chief executive. The Chairman provides leadership for the Board and ensures the effectiveness of the Board in fulfilling its roles and responsibilities and the establishment of sound corporate governance practices and procedures for the Company. The Chairman is also responsible for formulating the overall strategies and policies of the Company and monitoring their implementation. Meanwhile, the President, being the chief executive of the Company, is delegated the authority by the Board to lead other senior management including the vice presidents for the daily operation and business management of the Group in accordance with the objectives, directions, and risk management and internal control policies laid down by the Board.

During the year ended 31 December 2022, the Company has complied with all code provisions of the CG Code except code provision C.2.1 which requires that the roles of chairman and chief executive should be separate and should not be performed by the same individual. In the reporting year and until now, Mr. Chen Zhuo Lin is the Chairman of the Board and the President of the Company. The Board considered that such arrangement will provide strong and consistent leadership for the development of the Group and effective execution of policies and strategies of the Group given Mr. Chen's in-depth knowledge of the operations of the Group and of the industry as well as his extensive and strong business connections. The Board considered that such arrangement will not impair the balance of power and authority of the Board and it will be subject to review from time to time, and hence serves the best interest of the Group.

Independent Non-executive Directors

INEDs play a significant role in the Board by virtue of their independent judgement and their views carry significant weight in the Board's decisions. INEDs represent more than one-third of the Directors and ensure independent views are available in decision making at Board level. They are experienced professionals in areas such as accounting, financial management, structural and civil engineering, securities and investment industries. Their diversified experiences provide valuable views to the Board from different perspective, and thus enhance the decision-making of the Board and promote a sustainable and balanced development of the Group. In particular, they bring impartial views and opinions on issues of the Company's strategy, performance and control, and take the lead where potential conflicts of interests arise. The Board believes that its culture of openness and debate facilitates the effective contribution of Directors, in particular INEDs, to the Board and ensures constructive relationship among executive Directors, NEDs and INEDs.

During the year, the Company was in compliance with Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules. INEDs represent at least one-third of the Board and at least one of them possesses relevant professional qualifications or accounting or related financial management expertise.

The Board considers that the representation of INEDs is important to ensure independent views and input are available to the Board and is committed to comply with the requirements of the Listing Rules on appointment of sufficient number of INEDs. It will also review the implementation and effectiveness of such mechanism on an annual basis.

The Board consists of four INEDs, namely, Dr. Cheng Hon Kwan, Mr. Kwong Che Keung, Gordon, Mr. Hui Chiu Chung, Stephen and Mr. Wong Shiu Hoi, Peter. Dr. Cheng and Mr. Kwong were appointed on 27 October 2005 whereas Mr. Hui and Mr. Wong were appointed on 27 June 2014.

An annual confirmation of independence was received from each of four INEDs pursuant to Rule 3.13 of the Listing Rules and the Company considers each of them to be independent.

Dr. Cheng and Mr. Kwong have served the Board for more than nine years. Notwithstanding their length of tenure, in view of their wide spectrum of knowledge, extensive business experience and familiarity with the Company's affairs as well as the independence confirmation of Dr. Cheng and Mr. Kwong, the Board is of the opinion that they possess the required character, integrity and experience to ensure their independence in order to objectively scrutinise the Company's performance.



As all INEDs will have served the Board for more than nine years by June 2023, the Board will propose to appoint a new INED to the Board in due course to comply with the requirements in the CG Code.

Appointment and Re-election of Directors

Mr. Chen Zhuo Lin and Mr. Chan Cheuk Hung, executive Directors, have entered into service agreements with the Company, while Mr. Huang Fengchao, executive Director, and all NEDs (including INEDs) have entered into appointment letters with the Company setting out the terms and conditions of their appointment. Each Director is appointed for a specific term of 3 years, subject to the provisions on Directors' retirement as set out in the Articles. Any Director appointed by the Board shall hold office only until the next general meeting of the Company (in case of filling a casual vacancy) or until the next annual general meeting of the Company (in case of an addition to the existing Board), and shall then be eligible for re-election. Every Director, including those appointed for a specific term, shall be subject to retirement by rotation. At each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire by rotation. Every Director shall be subject to retirement at an annual general meeting at least once every three years. The names of Directors who are eligible for re-election at general meetings will be disclosed in the notice of the relevant general meetings and their biographical details will be provided in the accompanying circulars. The re-election of each Director will be subject to vote of Shareholders by separate resolutions.

In accordance with the Articles, Mr. Chan Cheuk Yin, Mr. Chan Cheuk Hei, Dr. Cheng Hon Kwan and Mr. Kwong Che Keung, Gordon shall retire by rotation and, being eligible, have offered themselves for re-election at the Forthcoming AGM.

Each Director has disclosed to the Company about the names of and the titles and nature of office held in the public companies or organisations prior to the acceptance of the appointment, and promised to inform the Company timely of any relevant change. The Company will also require Directors to submit written confirmation or update on their biographical details, if any, twice a year, and set out the updated biographical details of Directors, if any, in this annual report.

Board and Board Committee Meetings

The Board meets four times each year or more as required. Directors may participate in meetings either in person or through electronic means of communication. The schedule of regular meetings for the following year will be presented to all Directors in the last Board meeting in a year such that they can arrange for the meetings. All Directors are given not less than fourteen days' notice for regular Board meetings. For other Board and Board committee meetings, reasonable notice will be given.

The Company Secretary assists the Chairman in preparing the agenda of regular Board meetings and circulates the draft Board meeting agenda to all Directors for their perusal and comment. Directors are invited to include any matters in the agenda which they think appropriate. The Board meeting agenda will be issued by the Company Secretary after incorporating all the comments of Directors (if any). Relevant meeting materials are provided to the Directors at least three days before the meetings to ensure that they are given sufficient review time and are adequately prepared for the meetings.

Each Director shall have access to the senior management including the Company Secretary, and they may also seek independent professional advice at the expense of the Company. Any material matter involving interest of substantial Shareholder(s) or Director(s) shall be subject to the consideration and approval by the Board at a physical Board meeting, or to be implemented and dealt with by the designated Board committee. Directors who have interest may attend the meeting, but shall not be counted towards quorum and shall abstain from voting on the relevant matter. All Directors may require the Company Secretary to provide advice and services on relevant aspects, including the follow-up of, or the provision of support to, any matters, ensuring that the Board procedures and all applicable rules and regulations are observed.



The management will submit relevant reports to the Directors for review as part of meeting materials for every regular Board meeting and will answer any enquiry from the Directors. The Board may make informed assessment on the financial and other information submitted to them for their approval. Sufficient time will be allowed for the Directors to discuss the matters.

The meeting minutes of the Board and its committees are drafted and kept by the Company Secretary. All meeting minutes will set out in detail the matters discussed and considered at the meetings, including, among others, any queries made or views expressed by the Directors. The Company Secretary will distribute the draft meeting minutes to all Directors for their comment and final version of the meeting minutes to all Directors for their record within reasonable time after the meetings is held.

During the year, the Board held a total of eleven Board meetings. Each Director's attendance record for the Board meetings, Board committee meetings and general meeting(s) is set out as follows:

	Number of attendance/meeting(s) held in 2022					
	The Board	Audit Committee	Nomination Committee	Remuneration Committee	Risk Management Committee	General Meeting
Mr. Chen Zhuo Lin (<i>Chairman and President</i>)	11/11	-	-	-	-	1/1
Mr. Chan Cheuk Yin (<i>Vice Chairperson</i>)	7/11	-	-	-	-	0/1
Madam Luk Sin Fong, Fion (<i>Vice Chairperson</i>)	10/11	-	0/1	0/1	-	0/1
Mr. Chan Cheuk Hung	7/11	-	-	-	0/2	0/1
Mr. Huang Fengchao	11/11	-	-	-	2/2	0/1
Mr. Chan Cheuk Hei	9/11	-	-	-	-	0/1
Mr. Chan Cheuk Nam	8/11	-	-	-	-	0/1
Dr. Cheng Hon Kwan	11/11	4/4	1/1	1/1	-	1/1
Mr. Kwong Che Keung, Gordon	11/11	4/4	1/1	1/1	-	1/1
Mr. Hui Chiu Chung, Stephen	11/11	4/4	1/1	1/1	-	1/1
Mr. Wong Shiu Hoi, Peter	10/11	4/4	1/1	1/1	2/2	1/1

All Directors allocated a reasonable amount of time to follow up and deal with various affairs of the Company during the year. They made their best effort to attend meetings of the Board and its committees. They also allocated reasonable time in reviewing meeting materials, financial and operational statements as well as other documents provided by the Company from time to time. Furthermore, each member of the audit committee also spent sufficient time on reviewing internal audit reports provided by the Audit and Legal Centre during the year.

The code provision C.2.7 of the CG Code stipulates that the chairman should at least annually hold meetings with the independent non-executive directors without the presence of other directors. During the year, the Chairman met once with the INEDs without the other Directors present. The meeting was held on 2 December 2022.



Training and Support for Directors

The Company has established procedures for training and development of Directors. Newly appointed Director will be provided with comprehensive, formal and tailored induction upon his/her appointment. Regular briefing and professional development will also be provided to the Directors to enhance their understanding on the business and operation of the Group and to increase their awareness of their responsibilities and obligations under the statutory and common laws, the Listing Rules, laws and other regulatory requirement and governance policies, so as to enable the Directors to discharge their duties properly. The Company Secretary maintains proper records of training attended by the Directors.

The summary of training received by the Directors during the year is as follows:

Directors	Training Matters [Note 1]
<i>Executive Directors</i>	
Mr. Chen Zhuo Lin (<i>Chairman and President</i>)	A, B
Mr. Chan Cheuk Hung	A, B
Mr. Huang Fengchao	A, B
<i>NEDs</i>	
Mr. Chan Cheuk Yin (<i>Vice Chairperson</i>)	A, B
Madam Luk Sin Fong, Fion (<i>Vice Chairperson</i>)	A, B
Mr. Chan Cheuk Hei	A, B
Mr. Chan Cheuk Nam	A, B
<i>INEDs</i>	
Dr. Cheng Hon Kwan	A, B
Mr. Kwong Che Keung, Gordon	A, B
Mr. Hui Chiu Chung, Stephen	A, B
Mr. Wong Shiu Hoi, Peter	A, B

Note 1: A. corporate governance
B. regulatory

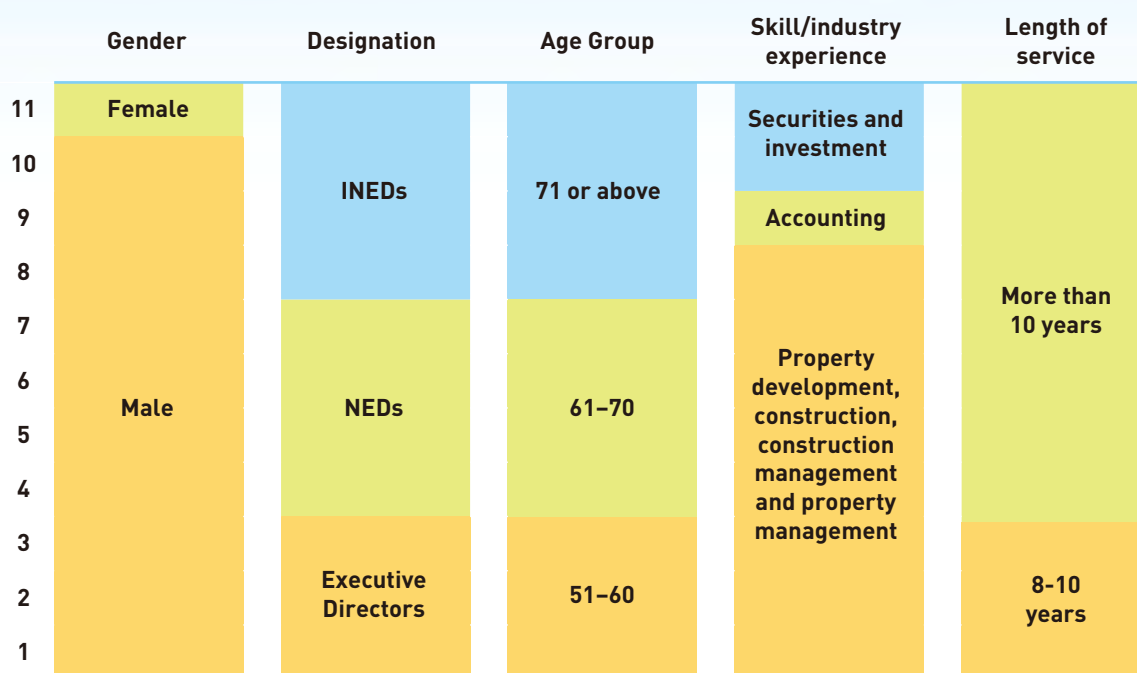
Board Diversity Policy

The Board recognizes the importance of board diversity in promoting the development of the Company. The Company adopted its own board diversity policy (the "Board Diversity Policy") on 15 August 2013. In making appointments of directors to the Board, a number of factors including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service at the Board are taken into account with an aim to make the Board more diverse. The decision will be made on merits in accordance with the nomination policy of the Company with due consideration of the Board Diversity Policy.

The nomination committee reviews the diversity structure, size and composition of the Board at least annually.



An analysis of the current Board composition is set out in the following chart:



The Board recognizes the benefits of gender diversity. It has had female representation at the Board since 2005. While the Board considers that gender diversity may bring more diversified views at Board level, gender is not the only factor to be taken into account in considering appointment to the Board. Appointment is made on merits after considering a number of factors including the educational background, professional experience, skills and knowledge of the candidate. Hence, the Board does not set any particular targets on the number of female representation at the Board. The Board and the nomination committee will closely monitor and review from time to time the composition of the Board and will take into account the board diversity policy including gender diversity in considering appointment to the Board with an aim to maintaining female representation at the Board.

Having reviewed the structure and composition of the Board, the Board considers that it is diversified in terms of age group, professional experience, skills, knowledge and length of service of its members. The Board has a balanced composition of executive Directors, NEDs and INEDs. INEDs represent more than one-third of the Directors and ensure independent views are available in decision making at the Board. The nomination committee reviews and monitors the implementation of the Board Diversity Policy annually and from time to time to ensure its effectiveness. The Board will set measurable objectives for achieving Board diversity as appropriate.

As at 31 December 2022, gender ratio is approximately 11 (male) : 9 (female) in workforce of the Group and approximately 5 (male) : 2 (female) in senior management (other than Directors) of the Company. The Company has not set any objectives for gender ratio in workforce or in senior management. Appointment is primarily made on merits of the candidate after considering a number of factors including the educational background, professional experience, skills and knowledge of the candidate. Further, as the Group's business is mainly based in the PRC and most of its employees are in the PRC where gender imbalance is serious with more male than female, the Company believes setting a particular target of gender ratio for its workforce will hinder its flexibility in recruitment.



Directors and Senior Management Liability Insurance

The Company has arranged appropriate insurance covering the potential legal actions against its Directors and senior management in connection with the discharge of their responsibilities.

Board Committees

The Company has established 4 Board committees, namely remuneration committee, nomination committee, audit committee and risk management committee. Terms of reference of each of the committees are available on the Company's website (www.agile.com.cn) and Hong Kong Stock Exchange's website (www.hkex.com.hk), and will be amended by the Board from time to time, where appropriate.

Remuneration Committee

The remuneration committee has been established since November 2005 and currently comprises 4 INEDs and a NED. The members of the remuneration committee include Dr. Cheng Hon Kwan (as Chairperson), Mr. Kwong Che Keung, Gordon, Mr. Hui Chiu Chung, Stephen, Mr. Wong Shiu Hoi, Peter and Madam Luk Sin Fong, Fion.

The major duties of the remuneration committee are (i) to make recommendations to the Board on the remuneration packages of individual Directors (including executive Directors and NEDs) and senior management of the Group, (ii) to formulate the policies and structure for remuneration of Directors and senior management of the Group and (iii) to establish a formal and transparent procedure for developing remuneration policy. Remuneration packages include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of office or appointment. In determining remuneration of Directors and senior management of the Group, the Board will consider the remuneration level of comparable companies, the time commitment and responsibilities and employment conditions elsewhere in the Group, individual performance of respective Directors and the Company's performance. No Director shall be involved in deciding his/her own remuneration. The remuneration committee, if necessary, may seek independent professional advice when discharging their duties at the fees and expenses of the Company.

During the year, the remuneration committee held a meeting in March in which they:

- evaluated the performance of executive directors for 2021;
- discussed the recommendation on the remuneration adjustments of senior management for 2022;
- confirmed the remuneration of executive Directors, NEDs and INEDs for 2021;
- discussed and made recommendation on the remuneration adjustment of executive Directors, NEDs and INEDs for 2022; and
- reviewed the terms of executive director's service agreements and appointment letters.

Details of the five highest paid individuals are set out in note 9 to the consolidated financial statements.



The remuneration paid to the members of senior management (other than Directors) by bands for the year ended 31 December 2022 is set out below:

Remuneration bands (RMB)	Number of members of senior management
≤1,000,000	1
1,000,001–2,000,000	3
2,000,001–3,000,000	3

Nomination Committee

The nomination committee has been established since December 2006 and currently comprises 4 INEDs and a NED. The members of the nomination committee include Mr. Hui Chiu Chung, Stephen (as Chairperson), Dr. Cheng Hon Kwan, Mr. Kwong Che Keung, Gordon, Mr. Wong Shiu Hoi, Peter and Madam Luk Sin Fong, Fion.

The major duties of the nomination committee are (i) to determine policy for the nomination of Directors, (ii) to give advice to the Board on the appointment or re-appointment and succession plan of Directors (particularly the Chairman and executive Directors), (iii) to review the Board Diversity Policy, the structure, number of members and composition (including but not limited to gender, age, cultural, educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board, (iv) to assess the independence of INEDs, and (v) to review the disclosures on director independence, the policy for the nomination of directors performed by the nomination committee during the year and a summary of the Board Diversity Policy in corporate governance report.

The nomination committee is responsible for the development of selection procedures for candidates, and will consider different criteria (including but not limited to gender, age, cultural, educational background, ethnicity, professional experience, skills, knowledge and length of service). The nomination committee, if necessary, may seek independent professional advice when discharging their duties at the fees and expense of the Company.

During the year, the nomination committee held a meeting in March in which they:

- considered the contribution to the Group by the retiring Directors, and advised the Board on the re-election of such retiring Directors at Last AGM;
- assessed the independence of the INEDs;
- considered and reviewed the structure, number of members and composition of the Board; and
- reviewed the corporate governance report in 2021 annual report including but not limited to disclosures on independence of directors and Board Diversity Policy.



Nomination Policy

The Board has adopted a nomination policy (the "Nomination Policy") on 7 December 2018.

1. Purpose

One of the main responsibilities of the nomination committee of the Company is to identify individuals suitably qualified to become directors and select or make recommendations to the Board on the selection of individuals nominated for directorships.

The Nomination Policy is aimed to set out the criteria and procedures to be adopted when making recommendations to the Board on the appointment or re-appointment of directors and succession plan for directors.

2. Nomination Criteria

When considering a candidate nominated for directorship or a director's re-appointment, the Nomination Committee shall have regard to the following factors:

- 2.1 Diversity of the Board, including but not limited to gender, age, cultural, educational background, ethnicity, professional experience, skills, knowledge and length of service of the candidate;
- 2.2 Time commitment of the candidate. In this regard, the number and nature of offices held by the candidate in public companies or organisations, and other executive appointments or significant commitments will be considered;
- 2.3 Potential/actual conflicts of interest that may arise if the candidate is selected;
- 2.4 In the case of a proposed appointment of an INED, the independence of the candidate;
- 2.5 In the case of a proposed re-appointment of an INED, the number of years he/she has already served the Company; and
- 2.6 Other factors considered to be relevant by the nomination committee on a case by case basis.

3. Nomination procedure

Subject to the provisions in the Articles, if the Board recognises the need to appoint additional director(s), the following procedures should be adopted:

- 3.1 The nomination committee identifies or selects candidate(s) recommended to the nomination committee, with or without assistance from external agencies or the Company, pursuant to the criteria set out in the Nomination Policy;
- 3.2 The nomination committee may use any process it deems appropriate to evaluate the candidate(s), which may include personal interviews, background checks, presentations or written submissions by the candidate(s) and third party references;



- 3.3 The nomination committee provides to the Board with all the information required in relation to the candidate(s), including information set out in Rule 13.51(2) of the Listing Rules;
- 3.4 The nomination committee makes recommendation to the Board including the terms of appointment and conditions of the appointment;
- 3.5 The Board deliberates and decides on the appointment based upon the recommendation of the nomination committee;
- 3.6 All appointments of directors shall be confirmed by a letter of appointment. The letter of appointment shall be approved by the nomination committee and set out the key terms and conditions of the appointment of the directors;
- 3.7 Pursuant to Rule 13.74 of the Listing Rules, where Shareholders are required to vote on the election or re-election of directors, the circular accompanying the notice of the relevant general meeting should contain all the information of the candidate(s) required under Rule 13.51(2) of the Listing Rules; and
- 3.8 In the case of the re-appointment of existing directors, matters relating to the re-appointment shall be considered in accordance with the criteria set out in the Nomination Policy.

Audit Committee

The audit committee has been established since November 2005 and currently comprises 4 INEDs. The members of the audit committee include Mr. Kwong Che Keung, Gordon (as Chairperson), Dr. Cheng Hon Kwan, Mr. Hui Chiu Chung, Stephen and Mr. Wong Shiu Hoi, Peter.

The major duties of the audit committee are (i) to review accounting policy, (ii) to monitor the performance of the Company's external auditor and Audit and Legal Centre, (iii) to review financial information and the method and effectiveness of the financial reporting of the Company so as to ensure the compliance with the applicable accounting and reporting regulations and the requirements of laws and provisions, (iv) to supervise the financial reporting system and risk management and internal control policies, (v) to consider and review the resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and (vi) to report the results to the Board. The audit committee, if necessary, may seek independent professional advice when discharging their duties at the fees and expenses of Company.

During the year, the audit committee held 4 meetings in March, May, August and December respectively in which they:

- reviewed annual results of 2021 and 2021 annual report, interim results of 2022 and 2022 interim report;
- reviewed audit and review reports of the external auditor;
- discussed and reviewed the effectiveness of internal control system and the measures and countermeasures on internal control and risk management systems;
- discussed and reviewed internal control management reports, audit monitoring plans and audit timetables;



- reviewed the independence of external auditor;
- discussed the resignation of the then external auditor and considered and discussed the appointment of Ernst & Young as external auditor;
- reviewed the resources of accounting, financial reporting and internal audit functions of the Group;
- reviewed the effectiveness of the Company's internal audit function;
- reviewed staff malpractices monitoring reports;
- reviewed the anti-corruption policy and the whistleblowing policy; and
- met with the external auditor without the presence of the management of the Company.

The audit committee meets with the external auditor, at least once annually, in the absence of management, to discuss matters relating to its audit fees, issue arising from the audit and other matters the external auditor may wish to raise. During the year ended 31 December 2022, Ernst & Young was appointed as the external auditor with effect from 15 December 2022.

External Auditor

As disclosed in the Company's announcement dated 15 December 2022, PricewaterhouseCoopers resigned as external auditor of the Company with effect from 15 December 2022 and Ernst & Young was appointed as external auditor of the Company with effect from the same date until the conclusion of the forthcoming AGM. PricewaterhouseCoopers resigned as external auditor of A-Living with effect from 24 November 2022 and Grant Thornton Hong Kong Limited was appointed by the board of A-Living as external auditor of A-Living to fill the casual vacancy following the resignation of PricewaterhouseCoopers, subject to the approval by the shareholders of A-Living at the extraordinary general meeting of A-Living held on 3 March 2023, in which the shareholders of A-Living resolved to appoint Grant Thornton Hong Kong Limited as the auditor of A-Living and to hold such office until the conclusion of the next annual general meeting of A-Living.

For the year ended 31 December 2022, the remuneration paid/payable to the auditors of the Group for audit and non-audit services are as follows:-

	2022 RMB'000	2021 RMB'000
Auditors' remuneration		
Audit services	12,760	23,780
Non-audit services:		
— Other permitted services	1,200	3,800
	13,960	27,580

Responsibility in financial statements

Directors acknowledged their responsibilities for preparing the accounts in this annual report, and Ernst & Young, the external auditor of the Company, acknowledged their reporting responsibility in the auditor's report of financial statements.

The Board is not aware of any uncertainty of a material nature that would affect the Company's ability as to continue as a going concern.





During the year, the Company published its annual results for the year ended 31 December 2021 and interim results for six months ended 30 June 2022 in compliance with the Listing Rules. The Company did not publish any quarterly results as suggested by the recommended best practice D.1.5 of the CG Code for the reasons that publication of quarterly results are not mandatory for the Company as a Main Board listed issuer and that preparation of quarterly reports are costly and does not bring significant benefits to the Shareholders.

Risk Management Committee

The risk management committee has been established since August 2016 and currently comprises 2 executive Directors and an INED. The members of the risk management committee include Mr. Huang Fengchao (as Chairperson), Mr. Chan Cheuk Hung and Mr. Wong Shiu Hoi, Peter.

The major duties of the risk management committee are (i) to consider and formulate risk management framework, (ii) to review and assess the effectiveness of the Group's risk management framework, and (iii) to monitor and ensure the effective implementation of relevant risk management measures. The risk management committee, if necessary, may seek independent professional advice when discharging their duties at the fees and expenses of the Company.

During the year, the risk management committee held 2 meetings in April and August respectively to review and discuss the following items:

- the Group's risk management work report for 2021;
- the updates on the major risks and core risk indicators of the Company and the Group's business segments in 2022;
- the effectiveness of risk management system;
- the risk management work plan for 2022;
- the Environmental, Social and Governance Report 2021;
- report of a sustainable development steering group on ESG risk management work; and
- the Group's risk management work report for the first half of 2022.

Risk Management and Internal Control

The Group considers that effective risk management is important to the Group's sustainable development and long-term business success.

Responsibilities of the Board and the management

The Board recognises its responsibilities to evaluate and determine the nature and level of risks to be taken in achieving the Group's strategic objectives, to ensure that the Group establishes and maintains effective risk management and internal control systems, and to oversee management in the design, implementation and monitoring of the risk management and internal control systems. The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business activities and can only provide reasonable and not absolute assurance against material misstatement or loss.

The management is responsible for designing, implementing and monitoring the risk management and internal control systems, and for providing the Board with the recognition of the effectiveness of risk management and internal control systems.





Risk Management

The design, implementation and maintenance of the risk management system

- 1) **Establishing the risk management committee:** The Board has established the risk management committee to oversee the design, implementation and maintenance of the risk management system of the Group and has issued the “Term of Reference for the Risk Management Committee”:
 - Authorising the risk management committee and defining its duties: the risk management committee’s duties regarding risk management and its authorisation have been recognised in the “Term of Reference for the Risk Management Committee”;
 - Determining the organisation of the risk management committee: providing the composition and quorum, requirements of the attendance at meetings, frequency of meetings and the manner of meetings; and
 - Determining the procedure of reporting to the Board: providing the procedure of reporting to the Board by the risk management committee, including the minutes mechanism.

- 2) **Establishing the structure of the risk management organisation:** It has built up the official risk management organisation structure from the level of the Group to its four business segments (see figure 1 below: risk management organisation chart), and confirmed the direct management obligation and the risk information reporting procedure and frequency of risk management, and clarified the responsibilities of risk management positions, including integrating the requirement of risk management into the function and description of each position. The main features of the risk management organisation structure comprised:
 - Clear levels and responsibilities: the levels of risk management organisation included the Board and the risk management committee at the decision-making level, with the composition of leading level and implementation level and carrying out the division of the duties of risk management. It has confirmed the direct management obligation and the risk information reporting procedure of risk management;
 - The wide span of level: the structure of risk management organisation is from the senior management of the Group to its managements of each business segment; and



- Specific communication mechanism: it has confirmed that the managements of each level communicate with each other with regard to the responsibilities, reporting routine and reporting frequency of the risk management.



(Figure 1: Risk management organisation chart)

- * This business is being operated by A-Living, which is accounted as a subsidiary of the Company. The Company had a long positional approximately 40.99% in A-Living and a short position of approximately 6.45% in A-Living as at 31 December 2022.



The roles have been played by each level in the risk management structure as shown below.

The Roles in the Risk Management Structure	Major Responsibilities
The Board (decision-making level)	<ul style="list-style-type: none"> • To evaluate and determine the acceptability of the nature and extent of the risks in achieving the strategic objectives • To ensure that the effective risk management and internal control systems are established and maintained • To oversee senior management in the design, implementation and monitoring of the risk management and internal control systems
Risk Management Committee (decision-making level)	<ul style="list-style-type: none"> • To review and formulate the framework of risk management • To review and assess the effectiveness of the framework of the Group's risk management on a regular basis • To coordinate and assist the senior management to promote risk management work • To oversee each business segment for setting up and implement risk response programme and risk treatment measures • To report any material risk management matters and recommend solutions to the Board • To monitor the frequency of major control failures or weak points, resulting in the extent of unforeseen consequences or emergencies which have caused, may have caused or will cause material impact on the financial performance or condition of the Company
Sustainable Development Steering Group (decision-making level)	<ul style="list-style-type: none"> • To formulate the Company's ESG vision and strategy, monitor and review the Company's ESG policies and practices, and provide guidance on the Company's ESG management efforts • To oversee the implementation of the Company's ESG management policies and practices, review and assess the adequacy and effectiveness of the ESG management structure, and make recommendations to improve the structure and scope of responsibilities • To supervise the formulation of ESG management objectives (e.g. environmental and safety management objectives) for each business segment of the Company in accordance with its operations, review the reasonableness of the objectives on a regular basis, and monitor the achievement of the objectives on an ongoing basis • To review ESG disclosure regulations and regulatory requirements, assess the current state of management of ESG indicators, and review and publish the Company's annual Environmental, Social and Governance report • To evaluate the Company's ESG performance, including external stakeholder (e.g. investor) ratings of the Company's ESG efforts, the Company's ESG ratings in the capital markets, and the feasibility of inclusion in relevant ESG indicators

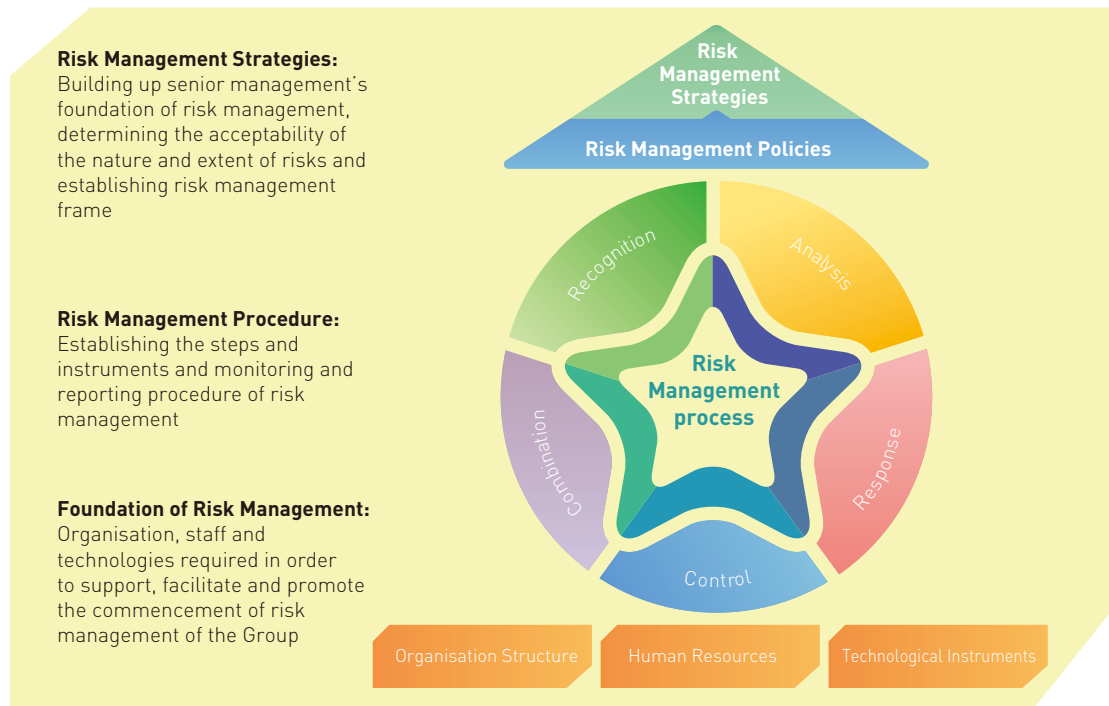


The Roles in the Risk Management Structure	Major Responsibilities
The senior management of the Group and the head of each business segment (leading level)	<ul style="list-style-type: none"> • To make risk assessment from the Group's holistic perspective and each business segment, in order to formulate risk management measures • To design, implement and monitor the risk management system • To confirm the effectiveness of risk management system to the Board
The Group and its management of the business segments (implementation level)	<ul style="list-style-type: none"> • To formulate and implement the relevant risk response programme of their business segment • To promote and implement specific risk management measures • To control different risks of their business and adjust risk management measures in time
Risk management coordination position	<ul style="list-style-type: none"> • To coordinate the commencement of risk recognition and assessment • To prepare periodic risk assessment report and propose the risk management leading level • To organise and coordinate risk management training and guidance
Audit and Legal Centre	<ul style="list-style-type: none"> • To be responsible for overseeing and evaluating risk management works done by the Group and its business segments for the risk management monitoring organisation

3) **Establishing the risk management system structure:** comprising the following main elements and features:

- Comprehensive framework of risk management: the mode of risk management framework has been established as the risk management system foundation (see figure 2 below for details: the mode of risk management) including the main elements such as risk management strategies, risk management process and risk management basic structure;
- Clear risk management procedure: the risk management procedure includes the procedure such as recognition, analysis, response, control and combining and reporting, which form a closed loop to control and manage the risks continuously; and

- Appropriate standard of risk assessment for the Group: under the industry nature and operation features, strategic objectives of the Group as well as the risk preference of senior management, it sets up the applicable dimension and standard of risk assessment to each business segment. By using assessment method and assessment standard from mutual confirmation, it makes assessment to the risks which are most likely to affect the achievement of corporate objectives in order to obtain the risk assessment result which is actually fitted with corporation.



(Figure 2: The model of risk management)

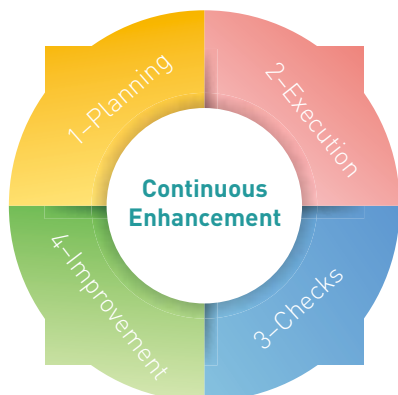
Through the above efforts, the Group has clarified direct management obligation and risk information reporting procedure and frequency of risk management, and established an official risk management framework which recognises, analyses, evaluates and determines procedure of corporate risks to integrate with and control risks systematically.



Risk Assessment for each Business Segment of the Group in 2022

Based on risk management system of the Group as mentioned above, the senior management, with the assistance from the internal risk management team, sustained its intensive risk management works in the following four business segments in 2022: (1) property development; (2) property management; (3) environmental protection; and (4) construction.

- **Continuing to put into practice the risk assessment results of all business segments**



To enhance the application of the Group's risk management results, the senior management has worked out a closed loop for risk management works, namely to identify major risks (planning), to respond to such risks (execution), to check the outcome of such response (checks), and to propose optimisation plans (improvement), in order to improve the risk management and response capabilities of the Company on a continuous basis.

In the year 2022, risk management measures were prepared, facilitated and implemented with respect to the major risks identified in all business segments in 2021. Implementation body monitored various risks of the respective business constantly, and confirmed with senior management on the outcome of such risk mitigation measures.

- **Developing an alert indicator system for the major risks of all business segments**

To strengthen the monitoring of major risks, the head of respective business segments set up quantitative or qualitative monitoring indicators for major risks with clear thresholds and reporting mechanisms. The operation of a risk alert indicator system provides the management with reminders of the business areas where risks alerts are sounded, so that analysis can be taken place with risk mitigation measures taken in a timely fashion to reduce the impact of such risks and to implement control and respond to major risks with smart technology.

- **Updating the assessment on the major risks in all business segments in 2022**

The head of respective segments followed and updated the risk assessment criteria in 2021; adopted systematic assessment to review the change of the nature and the extent of major risks faced by each segment; identified major risks faced by each business segment; sorted out the current status of risk management and control, the measures of next step and key risk management plans considered. Also, the assessment results were reported to the risk management committee.

The risk management committee, on behalf of the Board, reviews and assesses the changes of nature and extent of major risks and conducts a review of the risk management system annually. It considered the risk management system of the Company to be effective and sufficient. Management will report major risks control situation formally to the risk management committee on a half-yearly basis.



Internal Control

The Board is responsible for formulating proper internal control system for the Group to safeguard the assets of the Group and the interests of Shareholders. The audit committee shall conduct regular review on the effectiveness of the internal control system to ensure that the system is adequate.

The Audit and Legal Centre of the Group is accountable and reports directly to the audit committee. The Audit and Legal Centre of the Group performs internal audit. It is responsible for constantly monitoring the work flow and risk assessment of each department of the Group, and assisting the Board and senior management of the Group in complying with the regulatory requirements and guidelines, so as to improve the efficiency of internal control system. Through continuous internal audit and reporting from time to time, the Audit and Legal Centre shall ensure the effective operation of the internal control system.

The audit committee reviews the effectiveness of the internal control system at least twice every year to ensure the effectiveness and adequacy of the system. During the year, the audit committee reviewed the effectiveness of internal control system in respect of finance, operation, compliance and business matters and reported the result to the Board. Should any material fault or any material weakness in monitoring is found, the Audit and Legal Centre will report the same to the audit committee in timely manner.

In order to promote good corporate governance and strengthen the internal control of the Company, the Company has a whistleblowing policy, anti-corruption policy and information management policy in place.

Whistleblowing Policy

The whistleblowing policy was previously incorporated into the anti-corruption policy of the Company and was subsequently adopted as a separate policy in August 2022. Employees and third parties may report any suspected misconduct, malpractice or irregularity of the employees, customers and suppliers of the Group in confidence to the Audit and Legal Centre of the Group who shall report the cases to the audit committee regularly.

Anti-corruption Policy

The Company adopted its anti-corruption policy in September 2016 and updated it in August 2022. It aims to establish policies and systems to promote and support anti-corruption laws and regulations. The Audit and Legal Centre of the Group is responsible for overseeing the anti-corruption works of the Group. It formulates policies and conducts training sessions on anti-corruption, and investigates complaints on suspected corruption acts. Suspected cases may be reported to the competent authorities for handling.

Information Management Policy

In order to standardise information management works, the Board has formulated an information management policy. The information management policy includes procedures and internal controls for the handling and dissemination of inside information. The information management policy provides including but not limited to the procedures of the obligation and execution of the management and publication of inside information, confidentiality arrangement, collection and evaluation of information and the manner of publication to ensure timely reporting of inside information to the Board and communication with the Group's stakeholders.



Review of Accounting, Financial Reporting and Internal Audit Functions

The audit committee reviewed and was satisfied with the adequacy of the resources, staff qualifications and experience, training programmes and budget of the Group's accounting, financial reporting and internal audit functions.

Review of the Effectiveness of the Risk Management and Internal Control Systems

The Board has continued to oversee the management in the design, implementation and monitoring of the risk management and internal control systems. It conducted a comprehensive review of the risk management and internal control systems of the Company during the year, and continuously oversees major risks and regularly reviews the implementation of management and control measures covering the period of 2022. Based on its review and the advice from the audit committee and the risk management committee, it considered that the risk management and internal control systems are effective and adequate.

Company Secretary

As disclosed in the Company's announcement dated 31 October 2022, Mr. Ng Wai Hung was appointed as the company secretary of the Company with effect from 1 November 2022 following the resignation of the then company secretary of the Company, Mr. Cheung Lap Kei. Mr. Ng is a practicing solicitor in Hong Kong and an employee of the Company. He is familiar with the day-to-day affairs of the Company and has devoted sufficient time to the affairs of the Company. Mr. Ng reports to the Chairman and is responsible for advising the Board on governance matters, new director's induction and professional development of Directors as well as ensuring good information flow between the Board members and the compliance of the policy and procedure of the Board. Mr. Ng has confirmed that he has received relevant professional trainings of no less than 15 hours to update his skills and knowledge during the year.

Relation between the Company and Shareholders

(i) Shareholders' Right to Convene General Meeting(s)

Pursuant to Article 58 of the Articles, any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall have the right, by written requisition to the Board or the Company Secretary, to require an extraordinary general meeting to be called by the Board. The requisition must specify the objects of the meeting, be signed by the requisitionist(s), and be deposited to the registered office and principal place of business in Hong Kong of the Company.

If within 21 days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself/herself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

The Board is also proposing a special resolution at the Forthcoming AGM for the Shareholders to consider, and if thought fit, approve and adopt the second amended and restated articles of association of the Company which provide, among other things, the right of a Shareholder to put forward a resolution at general meetings.

**(ii) Shareholders' Right to Nominate a Director**

Shareholder(s) who wish(es) to propose a person (other than himself/herself) for election as a Director at the general meeting of the Company, should deposit a written notice at the Company's principal place of business in Hong Kong for the attention of the Company Secretary. The notice must state the full name of the candidate, his/her biographical details as required by Rule 13.51(2) of the Listing Rules and be signed by the proposer and accompanied by a written consent signed by the candidate indicating his/her willingness to be elected as Director. The period for lodgment of the notice will commence no earlier than the day after the dispatch of the notice of general meeting and not later than 7 days prior to the date of general meeting. The relevant detailed procedures have been published on the Company's website (www.agile.com.cn).

(iii) Shareholders' Right to Make Enquiries

Shareholders may raise enquiries with the Board at any time. Such request shall be in writing and delivered by post to Capital Markets Department or the Company Secretary of the Company at Suites 1801-1806, 18/F., Three Pacific Place, 1 Queen's Road East, Hong Kong. Shareholders may also raise enquiries with the Board at the annual general meetings of the Company.

Shareholders and the investors may make a request for the public information of the Company at any time. Such request shall be in writing and delivered by post to Capital Markets Department of the Company at Suites 1801-1806, 18/F., Three Pacific Place, 1 Queen's Road East, Hong Kong.

(iv) Communication with Shareholders

Both the Board and the management fully understand the importance of building up of good communication with the Shareholders and investing public in order to assist the Shareholders and investors to have a better understanding of the businesses of the Group and to allow the Board and the management to solicit and understand the views of the Shareholders and investors. The following key channels and platforms are used to facilitate two-way communication:

- The Company publishes the annual reports, interim reports, announcements, and circulars on the Company's website (www.agile.com.cn) and Hong Kong Stock Exchange's website (www.hkex.com.hk). The Company also posts onto its website the financial highlights, press release, and the terms of reference of the Board's committees, so that Shareholders can obtain more corporate information from the Company's website. Moreover, in order to enable Shareholders to have a better understanding of the latest movement and development of the Group, company news has also been released in the Company's website;
- The Company is committed to improve its relation with investors. During the year, senior management of the Company had conducted various meetings with institutional investors, fund managers and financial analysts. The report of meetings are presented to the Board for review in each regular Board meeting to ensure that views and recommendations of investors, fund managers and financial analysts can be reached to the Board;



- Annual general meeting of the Company is an important channel for regular face-to-face communications between the Board and the Shareholders. It provides a platform where Shareholders may communicate their views on various matters affecting the Company and the Board may solicit and understand the views of Shareholders and stakeholders. Members of the Board take part in the annual general meetings in order to have more contacts with the Shareholders. Mr. Chen Zhuo Lin (Chairman and President), Dr. Cheng Hon Kwan (INED and chairperson of remuneration committee), Mr. Kwong Che Keung, Gordon (INED and chairperson of audit committee), Mr. Hui Chiu Chung, Stephen (INED and chairperson of nomination committee), Mr. Wong Shiu Hoi, Peter (INED), Hong Kong legal adviser and the representative of external auditor had attended Last AGM. In the general meeting, there is a briefing on the business of the Company by the Chairman of the Board and a question and answer session as well as a discussion with Shareholders on the long-term development strategy of the Company. After the general meeting, poll results are posted on the Company's website (www.agile.com.cn), Hong Kong Stock Exchange's website (www.hkex.com.hk) and SGX's website (www.sgx.com); and
- The Company's notice of Last AGM had been dispatched to Shareholders in no less than 20 clear business days before the commencing date of the meeting. All resolutions proposed at the general meeting had been taken by way of poll pursuant to Rules 13.39(4) of the Listing Rules. The Company Secretary had explained in detail, the relevant procedures of voting by poll to the attending Shareholders and made known by the Shareholders. For all other general meetings, at least 10 clear business days notice will be given.

Based on above, the Company considers the above communication policy by way of regular updates on the business and financial information of the Group through the publication of annual and interim reports, meetings with investors and face-to-face communications at annual general meetings are effective and adequate.

(v) Dividend Policy

The Company adopted a dividend policy on 7 December 2018 which provides, among other things, that no less than 35% of the profits attributable to shareholders for each financial year shall be distributed as dividend subject to a number of considerations including but not limited to the amount of distributable profits, actual and expected financial conditions, operating results and strategies, cash flow, expected working capital requirements and expansion plans. For details of the dividend policy, please refer to pages 86 to 87 of this annual report.



(vi) Shareholding

Based on the information available to the Board, the shareholding of the Company as at 31 December 2022 was as follows:

	Number of Shares	Approximate Percentage Shareholding
Parties associated with the Chen's Family Trust (Notes 1 and 2)	2,937,163,000	65.55%
Others	1,543,384,500	34.45%
Total	4,480,547,500	100.00%

Note 1:

As at 31 December 2022, to the best knowledge and belief of the Directors, the Chen's Family Trust held 2,453,096,250 Shares, representing approximately 54.75% of the then issued share capital of the Company.

Apart from the foregoing,

- (a) Mr. Chen Zhuo Lin held a total of 130,572,000 Shares directly and through certain companies wholly-owned and controlled by him;
- (b) Mr. Chen Zhuo Lin and Madam Luk Sin Fong, Fion held a total of 14,276,250 Shares through certain companies jointly owned and controlled by them;
- (c) Mr. Chan Cheuk Yin held 15,687,500 Shares through a company wholly-owned and controlled by him;
- (d) Mr. Chan Cheuk Hei and his spouse jointly held a total of 7,875,000 Shares;
- (e) Mr. Chan Cheuk Nam and his spouse jointly held a total of 6,781,500 Shares;
- (f) Mr. Chen Sze Long, being the son of Mr. Chen Zhuo Lin and Madam Luk Sin Fong, Fion, held a total of 307,432,500 Shares directly and through certain companies wholly-owned and controlled by him;
- (g) Mr. Huang Fengchao held 1,400,000 Shares directly; and
- (h) Madam Yue Yuan, being a non-executive director of A-Living, held 42,000 Shares directly.

Mr. Chen Zhuo Lin, Madam Luk Sin Fong, Fion, Mr. Chan Cheuk Yin, Mr. Chan Cheuk Hei, Mr. Chan Cheuk Nam, Mr. Chen Sze Long, Mr. Huang Fengchao and Madam Yue Yuan are concert parties and are taken to have a total interest of 2,937,163,000 Shares, representing approximately 65.55% of the then issued share capital of the Company.

Note 2:

42,000 Shares held by Madam Yue Yuan are considered as shareholding held by senior management.

(vii) Public Float

Based on the publicly available information and to the best knowledge of the Directors, as at the date of this annual report, the Company maintained its public float of at least 25% as required under Rule 8.08 of the Listing Rules.



(viii) Important Shareholders' Dates for 2023

Date	Event
24 April 2023	Issue of notice convening the Forthcoming AGM
22 May 2023 to 25 May 2023 (both dates inclusive)	Book closure days for Forthcoming AGM
25 May 2023	Forthcoming AGM
On or before 31 August 2023	Release of interim results for six months ended 30 June 2023

Compliance with Model Code for Securities Transactions by Directors and Relevant Employees

The Company has adopted the Securities Dealing Code for Directors, which is on terms no less exacting than the required standard as set out in the Model Code. After having made specific enquires of all Directors, all Directors have confirmed that they had fully complied with the standard set out in the Securities Dealing Code for Directors during the year.

The Company has also adopted a securities transactions code by employees of the Group which is on no less exacting terms than the Model Code.

Amendment of the Company's Constitutional Documents

There have been no changes made to the Company's constitutional documents during the year ended 31 December 2022. The Board is also proposing a special resolution at the Forthcoming AGM for the Shareholders to consider, and if thought fit, approve and adopt the second amended and restated articles of association of the Company. Please refer to the circular of the Company for details.



The Board is pleased to present their report for the year ended 31 December 2022.

Principal Activities

The principal businesses of the Company is investment holding. Its major subsidiaries, joint ventures and associated companies are principally engaged in the businesses of property development, property management and others. An analysis of the Group's performance for the year by principal business segments is set out in note 4 to the consolidated financial statements.

Results and Overall Performance

The Group's results for the year ended 31 December 2022 are set out on pages 108 to 109 of this annual report.

Business Review

Business review for the year and future business development of the Group as well as the major risks and uncertainties of the Group are set out in "Management Discussion and Analysis" on pages 16 to 27 and the "Chairman's Statement" on pages 10 to 15 of this annual report. Please refer to note 48 to the consolidated financial statements for the financial risks exposed to the Group. Analysis of the performance of the Group for the year based on key financial indicators is set out in "Five-Year Financial Summary" on pages 255 to 256 of this annual report. Save as disclosed in this annual report, the Group has no significant events since the financial year under review.

The Group believes that sustainable development is crucial to the development of a corporate and actively implements the concept of sustainable development at every level of the operation so as to create a better future for the community and the Group. Please refer to the Environmental, Social and Governance Report published by the Company.

The Group is mainly engaged in the property development in China. As a property developer in China, the Group is required to comply with various national and local laws and regulations on environmental protection, including laws and regulations of air pollution, sound pollution, waste and sewage. The Group has complied with the laws and regulations which are significant to the operation of the Group.

The Group is of the view that our employees, customers and business partners are important to our sustainable development. The Group is committed to maintaining close relationship with our employees, providing quality services to customers and strengthening the cooperation with our business partners.

Dividend Policy

The Board has adopted a dividend policy (the "Dividend Policy") on 7 December 2018.

Pursuant to the Dividend Policy, no less than 35% of the profits attributable to shareholders for each financial year shall be distributed as dividend subject to, among other things, distributable profits, actual and expected financial conditions, operating results and strategies, cash flow, expected working capital requirements and expansion plans, future development prospects, shareholders' interests and other factors that the Board deems appropriate.

Recommendation, declaration and payment of dividends shall be determined at the sole discretion of the Board and subject to the requirements of the Companies Law of the Cayman Islands, the Articles and all applicable laws and regulations.



The Board will review the Dividend Policy from time to time and reserves the right in its sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time. There is no assurance that dividends will be paid in any particular amount for any given period.

Dividends

During the year, the Board did not declare any interim dividend to the Shareholders (2021: HK50.0 cents). The Board did not propose any final dividend for the year ended 31 December 2022 (2021: nil).

Closure of Register of Members

To facilitate the processing of proxy voting for the Forthcoming AGM to be held on Thursday, 25 May 2023, the register of members of the Company will be closed from Monday, 22 May 2023 to Thursday, 25 May 2023, both dates inclusive, during which no transfer of Shares will be registered. In order to be entitled to attend and vote at the Forthcoming AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited for registration not later than 4:30 p.m. on Friday, 19 May 2023.

Share Capital

Details of the movement in the share capital of the Company during the year are set out in note 34 to the consolidated financial statements.

Reserves

Details of movement in the reserves of the Group during the year are set out in the consolidated statement of changes in equity.

As at 31 December 2022, the distributable reserves of the Company were approximately RMB7,185 million (2021: RMB4,885 million).

Senior Notes

Details of senior notes of the Company are set out in note 32 to the consolidated financial statements.

Senior Perpetual Capital Securities

Details of senior perpetual capital securities of the Company are set out in note 37 to the consolidated financial statements.

Exchangeable Bonds

Details of exchangeable bonds of the Company are set out in note 32 to the consolidated financial statements.

Property, Plant and Equipment

Details of movement in property, plant and equipment of the Group during the year are set out in note 14 to the consolidated financial statements.



Intangible Assets

Details of movement in intangible assets of the Group during the year are set out in note 18 to the consolidated financial statements.

Investment Properties

During the year, the fair value gains of the Group's investment properties amounted to RMB28 million (2021: RMB230 million) and have been recognised directly in the consolidated financial statements.

Details of movement in investment properties of the Group during the year are set out in note 15 to the consolidated financial statements.

Borrowings

Details of the Group's borrowings are set out in note 32 to the consolidated financial statements.

Interest Capitalised

Interest and other borrowing costs capitalised of the Group during the year are set out in note 7 to the consolidated financial statements.

Donations

The Group's charitable and other donations during the year amounted to RMB10 million (2021: RMB143 million).

Retirement Benefit Scheme

Details of retirement benefit scheme of the Group are set out in note 6 to the consolidated financial statements.

Group Financial Summary

A financial summary of the Group for the past five financial years is set out on pages 255 to 256 of this annual report.

Directors

The Directors as at the date of this report are listed on page 257 of this annual report. All Directors served throughout the year.

Independence confirmation

The Company has received the confirmation from all INEDs listed on page 257 of this annual report regarding their independence pursuant to Rule 3.13 of the Listing Rules and considers all of them to be independent.



Terms of appointment

The Articles provide that one-third of Directors for the time being shall retire from office by rotation at the annual general meeting and every Director shall be subject to retirement at least once every three years. In accordance therewith, Mr. Chan Cheuk Yin, Mr. Chan Cheuk Hei, Dr. Cheng Hon Kwan and Mr. Kwong Che Keung, Gordon will retire as Directors at the Forthcoming AGM and, being eligible, offer themselves for re-election.

Each of the executive Directors, NEDs and INEDs has entered into a service agreement/an appointment letter with the Company for a term of three years subject to retirement by rotation pursuant to Article 87 of the Articles. None of the Director has a service agreement/an appointment letter with the Company which is not terminable by the Company within one year without payment of compensation (other than statutory compensation).

Share Award Scheme

The Company adopted the Share Award Scheme on 10 December 2013 under which the Company may grant award ("Share Award(s)") of shares ("Awarded Shares") to the employees of the Group to recognise their contributions and to provide them with incentives in order to retain them for continual operation and development of the Group as well as to attract suitable personnel for the growth and further development of the Group. Subject to any early termination as may be determined by the Board, the Share Award Scheme shall be valid and effective for a term of 10 years commencing on the adoption date.

The scheme mandate is set at 10% of the issued share capital of the Company. The Board shall not make any further Share Award if it will result in the nominal value of the Awarded Shares awarded under the Share Award Scheme exceeding 10% of the issued share capital of the Company from time to time. The maximum number of Awarded Shares that may be granted to an individual employee selected by the Board ("Selected Employee(s)") under the Share Award Scheme shall not exceed 1% of the issued share capital of the Company from time to time.

The Company has set up a trust ("Employee Share Trust") for the purposes of administering the Share Award Scheme and holding Awarded Shares before they vest onto individual employees. The Company issued and allotted a total of 34,470,000 new shares to the trustee of the Employee Share Trust (as trustee) on 10 February 2014 to hold on trust for the Selected Employees in accordance with the trust deed and rules of the Share Award Scheme. The Share Awards would vest and the Awarded Shares would be transferred to the Selected Employees upon their satisfaction of the relevant vesting conditions specified by the Board at the time of the grant of the Share Award(s).

On 3 January 2014, Share Awards in respect of 32,750,000 Awarded Shares were granted to 116 Selected Employees subject to a number of vesting conditions including the performance conditions of both the Group and the awardees being fulfilled and the awardees remaining employed by the Group. No consideration was required to be paid on the acceptance of such Share Awards by the Selected Employees and no purchase price of was required to be paid by the Selected Employees for each such Awarded Share.



The Share Awards in respect of the first 30% of the 32,750,000 Awarded Shares and the Share Awards in respect of the second 30% of the 32,750,000 Awarded Shares lapsed effective from 26 August 2015 and 23 August 2016 respectively. As the relevant vesting conditions were confirmed to be not satisfied on 20 June 2017, the Board resolved in its meeting held on 28 August 2017 that the Share Awards in respect of the remaining 40% of the 32,750,000 Awarded Shares lapsed effective from 28 August 2017. The lapsed Awarded Shares are not cancelled.

As at 31 December 2022, the shares held by the trustee of the Employee Share Trust are 34,470,000 ordinary shares which amount to RMB156,588,000 based on the subscription price of HK\$5.77 per share. It represents 0.73% of the issued shares of the Company as at the date of this annual report.

No Share Awards were granted during the year. No Share Awards were outstanding during the year. No Share Awards vested or lapsed or were cancelled during the year.

Please also refer to note 35 to the consolidated financial statements for details.

Model Code for Securities Transactions by Directors

The Company has adopted the Securities Dealing Code for Directors, which is on terms no less exacting than the required standard as set out in the Model Code. After having made specific enquiries of all Directors, each of the Directors has confirmed to the Company that he or she had fully complied with the Securities Dealing Code for Directors during the year ended 31 December 2022.

Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 31 December 2022, the interests or short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of SFO) which (i) were notified to the Company and Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including interests or short positions which they were taken or deemed to have under such provisions of SFO); or (ii) were recorded in the register required to be kept by the Company under Section 352 of SFO; or (iii) were required by the Model Code to be notified to the Company and Hong Kong Stock Exchange, were as follows:

(1) Long positions in Shares of the Company

Name of Director	Capacity of interests held	Shares held in the Company			Approximate percentage to issued share capital
		Number of Shares	Note	Total number of Shares	
Mr. Chen Zhuo Lin	Beneficiary of a trust	2,453,096,250	1	2,597,944,500	57.98
	Beneficial owner	88,274,000			
	Controlled corporation	14,276,250	2		
	Controlled corporation	42,298,000	3		



Name of Director	Capacity of interests held	Shares held in the Company		Total number of Shares	Approximate percentage to issued share capital																																							
		Number of Shares	Note																																									
Mr. Chan Cheuk Yin	Beneficiary of a trust	2,453,096,250	1	2,468,783,750	55.10																																							
	Controlled corporation	15,687,500	4			Madam Luk Sin Fong, Fion	Beneficiary of a trust	2,453,096,250	1	2,597,944,500	57.98	Controlled corporation	14,276,250	2	Spouse	130,572,000	5	Mr. Chan Cheuk Hung	Beneficiary of a trust	2,453,096,250	1	2,453,096,250	54.75	Mr. Chan Cheuk Hei	Beneficiary of a trust	2,453,096,250	1	2,460,971,250	54.93	Beneficial owner	7,875,000	6	Mr. Chan Cheuk Nam	Beneficiary of a trust	2,453,096,250	1	2,459,877,750	54.90	Beneficial owner	6,781,500	7	Mr. Huang Fengchao	Beneficial owner	1,400,000
Madam Luk Sin Fong, Fion	Beneficiary of a trust	2,453,096,250	1	2,597,944,500	57.98																																							
	Controlled corporation	14,276,250	2																																									
	Spouse	130,572,000	5																																									
Mr. Chan Cheuk Hung	Beneficiary of a trust	2,453,096,250	1	2,453,096,250	54.75																																							
Mr. Chan Cheuk Hei	Beneficiary of a trust	2,453,096,250	1	2,460,971,250	54.93																																							
	Beneficial owner	7,875,000	6																																									
Mr. Chan Cheuk Nam	Beneficiary of a trust	2,453,096,250	1	2,459,877,750	54.90																																							
	Beneficial owner	6,781,500	7																																									
Mr. Huang Fengchao	Beneficial owner	1,400,000		1,400,000	0.03																																							

Notes:

- Held by Top Coast which is wholly-owned by Full Choice being the trustee of the Chen's Family Trust, beneficiaries of which are Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Madam Luk Sin Fong, Fion, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam.
- 6,187,500 and 8,088,750 Shares are held by Brilliant Hero Capital Limited (輝雄資本有限公司) and Famous Tone Investments Limited (名通投資有限公司) respectively, which are jointly controlled by Mr. Chen Zhuo Lin and Madam Luk Sin Fong, Fion.
- 9,978,000, 11,828,000 and 20,492,000 Shares are held by Dragon Treasure Global Limited (龍寶環球有限公司), Star Noble Global Limited (星御環球有限公司) and Supreme Elite Holdings Limited (優傑控股有限公司) respectively, which are wholly-owned by Mr. Chen Zhuo Lin.
- Held by Renowned Idea Investments Limited (明思投資有限公司), which is wholly-owned by Mr. Chan Cheuk Yin.
- By virtue of the SFO, Madam Luk Sin Fong, Fion is deemed to be interested in the Shares held by her spouse, Mr. Chen Zhuo Lin (1) as beneficial owner, and (2) through Dragon Treasure Global Limited (龍寶環球有限公司), Star Noble Global Limited (星御環球有限公司) and Supreme Elite Holdings Limited (優傑控股有限公司), which are wholly-owned by him.
- Jointly held by Mr. Chan Cheuk Hei and his spouse Madam Lu Yanping.
- Jointly held by Mr. Chan Cheuk Nam and his spouse Madam Chan Siu Na.



(2) Long positions in the shares of associated corporations of the Company

A. Top Coast

Name of Director	Capacity of interests held	Number of shares	Description of shares	Percentage to issued share capital
Mr. Chen Zhuo Lin	Controlled corporation	2 (Note)	Ordinary	100.00
Mr. Chan Cheuk Yin	Controlled corporation	2 (Note)	Ordinary	100.00

Note: By virtue of the SFO, Mr. Chen Zhuo Lin and Mr. Chan Cheuk Yin are deemed to be interested in 2 ordinary shares, representing 100% of the then issued voting shares, in Top Coast, a company wholly-owned by Full Choice which in turn owned as to 50% by Mr. Chen Zhuo Lin and Mr. Chan Cheuk Yin respectively.

B. A-Living

Name of Director	Capacity of interests held	Number of shares	Note	Description of shares	Approximate percentage to total issued share capital
Mr. Chen Zhuo Lin	Beneficiary of a trust	582,100,521	1	H shares	40.99
Mr. Chan Cheuk Yin	Beneficiary of a trust	582,100,521	1	H shares	40.99
Madam Luk Sin Fong, Fion	Beneficiary of a trust	582,100,521	1	H shares	40.99
Mr. Chan Cheuk Hung	Beneficiary of a trust	582,100,521	1	H shares	40.99
Mr. Chan Cheuk Hei	Beneficiary of a trust	582,100,521	1	H shares	40.99
Mr. Chan Cheuk Nam	Beneficiary of a trust	582,100,521	1	H shares	40.99
Mr. Huang Fengchao	Controlled corporation	19,122,646	2	H shares	1.35

Notes:

- The Company holds, through its indirect wholly-owned subsidiaries, Zhongshan A-Living and Deluxe Star International Limited (旺紀國際有限公司), 574,900,521 and 7,200,000 H shares in A-Living respectively, and Full Choice holds, through Top Coast, 62.63% equity interests of the Company, as trustee of the Chen's Family Trust, beneficiaries of which are Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Madam Luk Sin Fong, Fion, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam. By virtue of the SFO, Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Madam Luk Sin Fong, Fion, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam are deemed to be interested in these 582,100,521 H shares in A-Living.
- Mr. Huang Fengchao is a limited partner of and owns 99.9% interest in Tianjin Fengxin Commercial Center (Limited Partnership)^ (天津奉欣商業中心(有限合夥)) ("Tianjin Fengxin"). Tianjin Fengxin is a limited partner of and respectively owns 94.96% and 95% interest in Shanghai Baoya Business Consultancy Limited Partnership^ (上海葆雅商務諮詢合夥企業(有限合夥)) ("Shanghai Baoya") and Shanghai Bingya Business Consultancy Limited Partnership^ (上海秉雅商務諮詢合夥企業(有限合夥)) ("Shanghai Bingya"). Mr. Huang is also a general partner of Shanghai Baoya and Shanghai Bingya respectively, and has full control over Shanghai Baoya and Shanghai Bingya. Shanghai Baoya is a general partner of Shanghai Yongya Business Consultancy Limited Partnership^ (上海詠雅商務諮詢合夥企業(有限合夥)) ("Shanghai Yongya") and has full control over Shanghai Yongya. Shanghai Bingya is a limited partner of and owns 50% interest in Shanghai Yongya. Shanghai Yongya is a limited partner of and owns 45% interest in Gongqingcheng which owns 19,122,646 H Shares of A-Living. Mr. Huang is a limited partner of and owns 4.99% interest in Gongqingcheng. By virtue of the SFO, Mr. Huang is deemed to be interested in these 19,122,646 H Shares of A-Living.



(3) Short positions in the shares of associated corporations of the Company**A-Living**

Name of Director	Capacity of interests held	Number of shares	Description of shares	Approximate percentage to total issued share capital
Mr. Chen Zhuo Lin	Beneficiary of a trust	91,556,229 (Note)	H shares	6.45
Mr. Chan Cheuk Yin	Beneficiary of a trust	91,556,229 (Note)	H shares	6.45
Madam Luk Sin Fong, Fion	Beneficiary of a trust	91,556,229 (Note)	H shares	6.45
Mr. Chan Cheuk Hung	Beneficiary of a trust	91,556,229 (Note)	H shares	6.45
Mr. Chan Cheuk Hei	Beneficiary of a trust	91,556,229 (Note)	H shares	6.45
Mr. Chan Cheuk Nam	Beneficiary of a trust	91,556,229 (Note)	H shares	6.45

Note: The Company holds, through its indirect wholly-owned subsidiaries, Zhongshan A-Living and Farsail Goldman International Limited (遠航金門國際有限公司) ("Farsail"), 40,299,479 and 51,256,750 H shares in A-Living respectively, and Full Choice holds, through Top Coast, 62.63% equity interests of the Company, as trustee of the Chen's Family Trust, beneficiaries of which are Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Madam Luk Sin Fong, Fion, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam. By virtue of the SFO, Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Madam Luk Sin Fong, Fion, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam are deemed to be interested in these 91,556,229 H shares in A-Living.

Save as disclosed above, as at 31 December 2022, none of the Directors and chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of SFO) which (i) were notified to the Company and Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including interests or short positions which they were taken or deemed to have under such provisions of SFO); or (ii) were recorded in the register required to be kept by the Company under Section 352 of SFO; or (iii) were required by the Model Code to be notified to the Company and Hong Kong Stock Exchange.



Substantial Shareholders' Interests and Short Positions

To the best knowledge of the Directors or chief executive of the Company, as at 31 December 2022, the interests or short positions of substantial Shareholders (other than Directors or the chief executive of the Company) in the Shares or underlying Shares which (i) have been disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of SFO or (ii) were recorded in the register required to be kept by the Company under Section 336 of SFO were as follows:

Long positions in Shares of the Company

Name of Shareholder	Capacity of interests held	Shares held in the Company			Approximate percentage to issued share capital
		Number of Shares	Note	Total number of Shares	
Full Choice	Trustee	2,453,096,250	1	2,453,096,250	54.75
Top Coast	Beneficial owner	2,453,096,250	1	2,453,096,250	54.75
Madam Zheng Huiqiong	Spouse	2,468,783,750	2	2,468,783,750	55.10
Madam Lu Liqing	Spouse	2,453,096,250	3	2,453,096,250	54.75
Madam Lu Yanping	Beneficial owner	7,875,000	4	2,460,971,250	54.93
	Spouse	2,453,096,250	5		
Madam Chan Siu Na	Beneficial owner	6,781,500	6	2,459,877,750	54.90
	Spouse	2,453,096,250	7		
Mr. Chen Sze Long	Beneficial owner	170,046,993		307,432,500	6.86
	Controlled corporation	137,385,507	8		
Madam Wang Huizhao	Spouse	307,432,500	9	307,432,500	6.86

Notes:

- Held by Top Coast which is wholly-owned by Full Choice being the trustee of the Chen's Family Trust with Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Madam Luk Sin Fong, Fion, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam as beneficiaries.
- By virtue of the SFO, Madam Zheng Huiqiong is deemed to be interested in the Shares held by her spouse, Mr. Chan Cheuk Yin.
- By virtue of the SFO, Madam Lu Liqing is deemed to be interested in the Shares held by her spouse, Mr. Chan Cheuk Hung.
- Jointly held by Madam Lu Yanping and her spouse, Mr. Chan Cheuk Hei.
- By virtue of the SFO, Madam Lu Yanping is deemed to be interested in the Shares held by her spouse, Mr. Chan Cheuk Hei.
- Jointly held by Madam Chan Siu Na and her spouse, Mr. Chan Cheuk Nam.
- By virtue of the SFO, Madam Chan Siu Na is deemed to be interested in the Shares held by her spouse, Mr. Chan Cheuk Nam.
- 41,271,000 and 96,114,507 Shares are held by Cosmic Advance Holdings Limited (宇進控股有限公司) and Union High Investment Group Limited (聯高投資集團有限公司) respectively, which are wholly-owned by Mr. Chen Sze Long.
- By virtue of the SFO, Madam Wang Huizhao is deemed to be interested in the Shares held by her spouse, Mr. Chen Sze Long (1) as beneficial owner, and (2) through Cosmic Advance Holdings Limited (宇進控股有限公司) and Union High Investment Group Limited (聯高投資集團有限公司), which are wholly-owned by him.

Save as disclosed above, as at 31 December 2022, none of the substantial Shareholders (other than Directors or chief executives of the Company) had informed the Company that they had any interests or short positions which (i) shall be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of SFO or (ii) shall be recorded in the register required to be kept by the Company under Section 336 of SFO.



Interests of any other persons

Save as disclosed in the foregoing, as at 31 December 2022, none of any other persons had informed the Company that they had any interests and short positions in the Shares which (i) shall be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of SFO or (ii) shall be recorded in the register required to be kept by the Company under Section 336 of SFO.

Remuneration Policy of the Group

As at 31 December 2022, the Group had a total of 101,906 employees. The related employees' costs for the year amounted to approximately RMB7,981 million. The remuneration package of the Group is determined with reference to the market levels, individual performance and contributions. Bonuses are also distributed based on the performance of employees. The Group also provides a comprehensive benefit package and career development opportunities, including retirement schemes, medical benefits, and both internal and external training appropriate to the employees' needs.

Basis for Determining Emoluments to Directors

Apart from taking into account the advice from the remuneration committee of the Board and the market levels, the Company also considers the competency, contributions and the responsibilities towards the Company in determining the level of remuneration for each Director. Appropriate benefit schemes are in place for the Directors.

Directors' Interests in Competing Business

During the year and up to the date of this annual report, Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Madam Luk Sin Fong, Fion, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam are having interests in Changjiang Hotel Company. Changjiang Hotel Company is principally engaged in hotel business under Zhongshan Agile Changjiang Hotel in Zhongshan, the PRC which business competes or is likely to compete, either directly or indirectly, with the business of the Group.

In accordance with the Articles and Statement of Policy for Corporate Governance, Directors shall abstain from voting on any resolution of Directors in respect of any contract, arrangement or proposal in which he or she or any of his or her associates has material interests.

As the Board is independent from the board of directors of Changjiang Hotel Company and the above Directors are unable to control the Board, the Directors are of the view that the Group is able to operate its hotel business fairly and independent of Changjiang Hotel Company.

Directors' Material Interests in Significant Transactions, Arrangements or Contracts

As at the end of or any time during the year, there were no contracts of significance in relation to the Group's business to which the Company or its subsidiaries was a party, and in which a Director and/or his or her related entities had a material interest in the transactions, arrangements or contracts, whether directly or indirectly.



Controlling Shareholders' Interests in Contracts

The Company, Top Coast and the other parties entered into two placing and subscription agreements in November 2022 and December 2022. Please refer to pages 22 to 24 of this annual report for details. Save as disclosed, neither the Company nor any of its subsidiaries had entered into any contract of significance with the Company's controlling shareholders or their subsidiaries, or any contract of significance for the provision of services to the Company or any of its subsidiaries by the Company's controlling shareholders or their subsidiaries, during the year.

Changes in information of Directors

Mr. Kwong Che Keung, Gordon has been retired as an independent non-executive director of NWS Holdings Limited (stock code: 659) on 21 November 2022. The biographical details of the Directors are set out in "Directors' Profile" on pages 54 to 58 of this annual report.

In respect of the change in emoluments of Directors, please refer to note 8 to the consolidated financial statement.

Save as aforesaid, there have been no change in information of Directors since the date of 2022 interim report and up to the date of this report pursuant to Rule 13.51B(1) of the Listing Rules.

Major Customers and Suppliers

During the year, sales to the largest customer of the Group accounted for approximately 1.4% of sales of the Group for the year and sales to the five largest customers of the Group accounted for less than 30% of sales of the Group for the year.

During the year, purchases from the largest supplier of the Group accounted for 0.9% of purchases of the Group for the year and purchases from the five largest suppliers of the Group accounted for less than 30% of purchases of the Group for the year.

None of the Directors, their respective close associates nor any Shareholders (who are interested in more than 5% of the issued Shares to the knowledge of the Directors) had any interests in any of the five largest customers or suppliers of the Group.

Related Party Transactions

Details of related party transactions are set out in note 45 to the consolidated financial statements. Certain of them are continuing connected transactions which are fully exempted from reporting, announcement, shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

Connected Transactions

During the year, the Group did not have any connected transactions which is discloseable pursuant to Chapter 14A of the Listing Rules.



Management Contracts

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

Permitted Indemnity Provision

According to the Articles, every Director is entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto. The Company has arranged appropriate insurance covering the potential legal actions against its Directors and senior management in connection with the discharge of their responsibilities.

Purchase, Sale or Redemption of Listed Securities

In January 2022, Farsail purchased US\$67.1 million out of US\$500 million 6.7% senior notes due 2022 issued by the Company (ISIN code: XS1959497782) (the "Senior Notes I") at a total consideration of approximately US\$51.13 million (inclusive of accrued interests). On 7 March 2022, the Company had fully redeemed Senior Notes I at its principal amount with accrued interests. The Senior Notes I had been delisted from SGX.

On 11 April 2022, Guangzhou Panyu Agile Realty Development Co., Ltd.[^] (廣州番禺雅居樂房地產開發有限公司) ("Panyu Agile") (an indirect wholly-owned subsidiary of the Company incorporated in China) repurchased RMB692.407 million with a face value of RMB100 each out of its public domestic corporate bonds of RMB1,450 million with an initial coupon rate of 5.9% due 2024 (corporate bond code: 175934) (the "Domestic Bonds") followed by the resale of the same during the period from 11 April 2022 to 11 May 2022. The Domestic Bonds are listed on the Shanghai Stock Exchange.

On 13 July 2022, Panyu Agile fully redeemed its non-public domestic corporate bonds in an aggregate principal amount of RMB1,500 million due 2022 with an initial coupon rate of 6.2% (corporate bond code: 167129) at its principal amount with accrued interests. These bonds had been delisted from the Shanghai Stock Exchange.

On 15 August 2022, the Company fully redeemed its US\$200 million 5.125% senior notes due 2022 (ISIN code: XS1659119629) at its principal amount with accrued interests. These notes had been delisted from SGX.

In August 2022, Great Dawn Investments Limited (鴻昕投資有限公司) (an indirect wholly-owned subsidiary of the Company incorporated in British Virgin Islands) purchased US\$39.574 million out of US\$400 million 4.85% senior notes due 2022 issued by the Company (ISIN code: XS2382274376) (the "Senior Notes II") at a total consideration of approximately US\$38.56 million (inclusive of accrued interests). On 31 August 2022, the Company had fully redeemed Senior Notes II at its principal amount with accrued interests. The Senior Notes II had been delisted from SGX.

On 19 October 2022, Panyu Agile fully redeemed its non-public domestic corporate bonds in an aggregate principal amount of RMB1,500 million due 2022 with an initial coupon rate of 6.2% (corporate bond code: 167752) at its principal amount with accrued interests. These bonds had been delisted from the Shanghai Stock Exchange.

Save as above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2022.

On 10 April 2023, Panyu Agile repurchased the Domestic Bonds in an aggregate amount of RMB10.124 million at the repurchase price of RMB100 each, being its face value. The bonds are listed on the Shanghai Stock Exchange.



Specific Performance by the Controlling Shareholders

1. As disclosed in the Company's announcement dated 21 May 2018, the Company as borrower and certain of its subsidiaries as original guarantors with a bank, one of the original lenders, as facility agent and security agent and certain financial institutions as original lenders entered into a facility agreement ("2018 Facility"). Pursuant to which a term loan facility comprising of HK\$8,834 million (with a greenshoe option of HK\$2,500 million) and USD200 million has been granted to the Company for a term of 48 months. The facility was fully repaid as of 19 May 2022.
2. As disclosed in the Company's announcement dated 27 June 2019, the Company as borrower and one of its subsidiaries as guarantor with a bank as agent and original lender entered into a facility agreement ("2019 Facility I"). Pursuant to which a term loan facility of MOP1,854 million (or its HKD equivalent) consisting of tranche A and tranche B has been granted to the Company for a term of 24 months. Tranche A of MOP1,030 million was fully repaid as of 25 June 2021. As for tranche B of MOP824 million, the final repayment date has been further extended to 29 June 2023 from its extended date of 29 June 2022.
3. As disclosed in the Company's announcement dated 28 August 2019, the Company as borrower and certain of its subsidiaries as original guarantors with a bank, one of the original lenders, as facility agent and security agent and certain other financial institutions as original lenders entered into a facility agreement ("2019 Facility II"). Pursuant to which a term loan facility comprising of HKD1,170 million and USD100 million (with a greenshoe option of USD500 million or its HKD equivalent) has been granted to the Company for a term of 36 months. The facility was fully repaid as of 26 August 2022.
4. As disclosed in the Company's announcement dated 24 June 2020, the Company as borrower and certain of its subsidiaries as original guarantors with a bank, one of the original lenders, as facility agent and security agent and certain financial institutions as original lenders entered into a facility agreement ("2020 Facility"). Pursuant to which a term loan facility comprising of HKD3,242 million (with a greenshoe option of USD600 million or its HKD equivalent) has been granted to the Company for a term of 36 months.
5. As disclosed in the Company's announcement dated 24 May 2021, the Company as borrower and certain of its subsidiaries as original guarantors with a bank, one of the original lenders, as facility agent and certain other financial institutions as original lenders entered into a facility agreement ("2021 Facility"). Pursuant to which a term loan facility comprising of HK\$5,253 million and US\$28.5 million (with a greenshoe option of US\$1,200 million) has been granted to the Company for a term of 36 months.



In connection with the aforesaid facilities, it will be an event of default if (i) Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Madam Luk Sin Fong, Fion, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam (hereinafter collectively the "Controlling Shareholders") collectively, directly or indirectly, do not own more than 50% (only for 2018 Facility, 2019 Facility I, 2019 Facility II and 2020 Facility)/more than 40% (only for 2021 Facility) of the total issued share capital of the Company; and/or (ii) the Controlling Shareholders together do not or cease to be entitled to exercise management control of the Company (only for 2018 Facility, 2019 Facility II, 2020 Facility and 2021 Facility); and/or (iii) Mr. Chen Zhuo Lin is not or ceases to be the chairman of the Board. In case of an occurrence of an event of default, the facility agent (only for 2018 Facility, 2019 Facility II, 2020 Facility and 2021 Facility)/the agent (only for 2019 Facility I) may (a) cancel the commitments (only for 2018 Facility, 2019 Facility II, 2020 Facility and 2021 Facility only)/cancel the commitments/any part of any commitments (only for 2019 Facility I); (b) declare that all or part of the loans, together with accrued interest, and all other amounts accrued or outstanding under the finance documents and other ancillary documents be immediately due and payable; (c) declare that all or part of the loans be payable on demand; and/or (d) exercise or direct the security agent (only for 2018 Facility, 2019 Facility II and 2020 Facility)/the sub-collateral agent (only for 2021 Facility) to exercise all or any of its rights, remedies, powers or discretions under the finance documents and other ancillary documents.

Pre-Emptive Rights

There are no provisions for pre-emptive rights in the memorandum of association of the Company and the Articles and under the laws of the Cayman Islands which would oblige the Company to offer new Shares (if any) to the existing Shareholders on a pro rata basis.

Equity Linked Agreement

During the year, the Company did not enter into any equity linked agreement except those under and "Share Award Scheme" and the disclosure in note 35 to the consolidated financial statements.

Corporate Governance

The Company has complied with all the code provisions set out in the then CG Code throughout the year except for certain deviations, details of which are set out in the Corporate Governance Report of this annual report.

Sustainable Development

The Group believes that promoting sustainability is as important as achieving long-term business growth. It has therefore made continuous efforts to maintain a high degree of sustainability in its operations. Moreover, it values opportunities to learn more about the needs and expectations of the communities in which it operates, as well as those of other stakeholders. The Group is committed to strengthening its management's efforts to promote sustainability through good corporate governance, environmental protection, community investment and workplace practices.

To demonstrate its commitment to transparency and accountability to its stakeholders, the Company will issue separately an Environmental, Social and Governance Report under Environmental, Social and Governance Reporting Guide as specified in Appendix 27 to the Listing Rules. The report will present the Company's commitment to sustainable development during the year under review and it will cover the significant economic, environmental and social achievements and impact arising from the activities of the Group and its joint ventures.



Shareholders' Tax Relief

If the Shareholders have any doubt in relation to any relief from taxation by holding the Shares, they are advised to consult their own professional advisers.

Public Float

Based on the publicly available information and to the best knowledge of its Directors, at least 25% of the Company's total issued share capital is being held by the public for the year ended 31 December 2022 and as at the date of this annual report.

Audit Committee

The audit committee of the Company have reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2022, and reviewed the accounting principles and practices adopted by the Group with the management of the Group, and discussed the internal controls and financial reporting matters with them.

Auditor

As disclosed in the Company's announcement dated 15 December 2022, PricewaterhouseCoopers resigned as auditor of the Company with effect from 15 December 2022 and Ernst & Young was appointed as auditor of the Company with effect from the same date until the conclusion of the Forthcoming AGM. The consolidated financial statements of the Group for the year ended 31 December 2022 have been audited by Ernst & Young, the auditor of the Company, which will retire and, being eligible, offer itself for re-appointment at the Forthcoming AGM. A resolution to re-appoint the auditor and to authorise the Directors to fix their remuneration will be proposed at the Forthcoming AGM.

Save as disclosed above, the Company did not change its external auditor in the past three years.

On behalf of the Board

Chen Zhuo Lin

Chairman and President

Hong Kong, 30 March 2023



102	Independent Auditor's Report
108	Consolidated Statement of Profit or Loss
109	Consolidated Statement of Comprehensive Income
110	Consolidated Statement of Financial Position
112	Consolidated Statement of Changes in Equity
114	Consolidated Statement of Cash Flows
117	Notes to the Consolidated Financial Statements
255	Five-year Financial Summary

**To the Shareholders of Agile Group Holdings Limited**

(incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Agile Group Holdings Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 108 to 254, which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA’s *Code of Ethics for Professional Accountants* (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Assessment of provisions for impairment of properties under development and completed properties held for sale</p> <p>The Group had properties under development and completed properties for sale of approximately RMB87,036 million and approximately RMB19,603 million, respectively, as at 31 December 2022, which represented 32% and 7% of the Group's total assets, respectively. The carrying amounts of properties under development and completed properties for sale are stated at the lower of cost and net realisable value.</p> <p>Determination of net realisable value of the properties under development and completed properties for sale involved critical accounting estimates on the selling price, costs to make the sale and, for properties under development, the costs to completion. Given the significant balance of properties under development and completed properties for sale and the involvement of critical accounting estimates, assessment of net realisable value of properties under development and completed properties for sale is considered as a key audit matter.</p> <p>The accounting policies and disclosures of the properties under development and completed properties for sale were included in notes 2.4, 3, 22 and 23 to the consolidated financial statements.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> We obtained an understanding of the management's internal control and process of the assessment of the net realisable value of properties under development and completed properties for sale. <p>In relation to properties under development, we evaluated the property construction cycle with particular focus on, but not limited to, reviewed the cost budgeting for estimated costs to completion.</p> <ul style="list-style-type: none"> We evaluated management's assessment about the estimated selling price less the estimated cost to make the sale and the estimated cost to completion by checking the recent market transaction prices of properties with comparable locations and conditions, where applicable; comparing with the average historical costs to make the sales of the Group; and comparing the latest estimated costs to completion to the budget approved by management and examined the supporting document such as construction contracts, internal correspondences and approvals.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Impairment assessment of goodwill</p> <p>At 31 December 2022, the goodwill carried in the Group's financial statements was approximately RMB4,668 million, net of an aggregate provision of approximately RMB1,157 million, primarily in relation to the Group's acquisition of property management services groups, environment protection groups and construction groups.</p> <p>Management is required to perform a test on goodwill for impairment at least on an annual basis. This test is largely based on management expectations, assumptions and estimates of future results of the cash-generating units to which the goodwill has been allocated. The assumptions are affected by expectations of future market or economic conditions. The impairment test is based on the comparison between the recoverable amounts of the relevant cash-generating units, and their respective carrying amounts. Management engaged an independent external valuer to prepare the valuation models to assist with the impairment assessment.</p> <p>Given the complexity and judgmental nature of the impairment testing, this is identified as a key audit matter.</p> <p>The accounting policies and disclosures of the impairment assessment of goodwill were included in notes 2.4, 3 and 17 to the consolidated financial statements.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> • We considered the competency, capabilities and objectivity of the independent professional valuer engaged by the management and involved our internal valuation specialists to assist us in evaluating the methodology and key assumptions adopted in the impairment assessments. • We evaluated management expectations, assumptions and estimates of future results of the cash-generating units used in the valuation models by (i) testing the assumptions used in the cash flow forecasts; (ii) comparing the historical forecast with actual results; and (iii) obtaining corroborative evidence to support the growth assumptions. • We also assessed the adequacy of the disclosures for the impairment testing of goodwill.

Other information included in the Annual Report

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

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

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

Responsibilities of the directors for the consolidated financial statements

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

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Lok Man Ho.

Ernst & Young

Certified Public Accountants

27/F, One Taikoo Place

979 King's Road

Quarry Bay, Hong Kong

30 March 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2022

	Note	2022 RMB'000	2021 RMB'000
Revenue	5	54,034,327	73,027,763
Cost of sales		(53,033,344)	(54,006,694)
Gross profit		1,000,983	19,021,069
Other income and gains, net	5	2,269,787	6,695,810
Selling and marketing costs		(1,232,913)	(3,102,342)
Administrative expenses		(4,305,384)	(4,004,139)
Net impairment losses on financial and contract assets	6	(1,687,410)	(500,245)
Impairment losses on investments accounted for using the equity method	6, 19	(1,401,226)	(313,733)
Other expenses		(1,156,477)	(279,393)
		(6,512,640)	17,517,027
Finance costs, net	7	(3,101,837)	(1,414,437)
Share of profits and losses of investments accounted for using the equity method		(757,452)	794,239
(Loss)/profit before income tax	6	(10,371,929)	16,896,829
Income tax expenses	10	(3,001,356)	(7,798,792)
(Loss)/profit for the year		(13,373,285)	9,098,037
(Loss)/profit attributable to:			
– Shareholders of the Company		(14,981,154)	6,712,036
– Holders of Perpetual Capital Securities		995,305	983,860
– Non-controlling interests		612,564	1,402,141
		(13,373,285)	9,098,037
(Loss)/earnings per share attributable to shareholders of the Company			
– Basic and diluted (in RMB per share)	13	(3.827)	1.729

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2022

109

	2022 RMB'000	2021 RMB'000
(Loss)/profit for the year	(13,373,285)	9,098,037
Other comprehensive income/(loss):		
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
– Changes in the fair value of equity investments at fair value through other comprehensive income, net of tax	(8,357)	(131,146)
– Revaluation gains arising from property, plant and equipment transferred to investment properties, net of tax	14,958	49,589
<i>Items that may be reclassified to profit or loss in subsequent periods:</i>		
– Currency translation differences	(3,207)	(9,122)
Other comprehensive income/(loss) for the year, net of tax	3,394	(90,679)
Total comprehensive (loss)/income for the year	(13,369,891)	9,007,358
Attributable to:		
– Shareholders of the Company	(14,979,105)	6,635,913
– Holders of Perpetual Capital Securities	995,305	983,860
– Non-controlling interests	613,909	1,387,585
	(13,369,891)	9,007,358

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Note	2022 RMB'000	2021 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	14	13,827,590	12,674,770
Investment properties	15	9,367,543	11,514,964
Right-of-use assets	16(a)	2,848,669	3,270,052
Goodwill	17	4,668,472	5,026,180
Other intangible assets	18	1,684,010	2,627,830
Investments accounted for using the equity method	19	28,774,197	31,304,280
Properties under development	22	19,919,251	21,274,754
Other receivables	25	8,381,269	8,797,543
Financial assets at fair value through other comprehensive income	20	32,093	43,368
Deferred income tax assets	33	3,765,838	2,165,196
		93,268,932	98,698,937
Current assets			
Completed properties held for sale	23	19,603,176	16,299,820
Inventories		283,886	356,850
Prepayments for acquisition of land use rights	24	2,062,840	2,269,068
Contract assets	26	4,164,317	5,150,620
Properties under development	22	67,116,816	87,105,562
Trade and other receivables	25	61,502,865	57,927,238
Prepaid income taxes		4,348,755	4,624,423
Financial assets at fair value through profit or loss	21	2,846,949	2,811,395
Restricted cash	27	7,628,349	15,617,768
Cash and cash equivalents	28	8,463,079	22,802,716
Assets of disposal groups classified as held for sale	11	2,092,251	2,895,342
		180,113,283	217,860,802
Total assets		273,382,215	316,559,739

	Note	2022 RMB'000	2021 RMB'000
EQUITY			
Capital and reserves attributable to the shareholders of the Company			
Share capital and premium	34	4,705,779	3,421,883
Shares held for Share Award Scheme	35	(156,588)	(156,588)
Reserves	36	35,897,012	50,973,816
		40,446,203	54,239,111
Perpetual Capital Securities	37	13,224,477	13,015,124
Non-controlling interests		22,056,183	22,177,042
Total equity		75,726,863	89,431,277
LIABILITIES			
Non-current liabilities			
Borrowings	32	35,458,984	54,293,548
Other payables	29	5,500,842	4,572,361
Financial liabilities at fair value through profit or loss	31	434,595	494,313
Lease liabilities	16(b)	136,636	262,093
Deferred income tax liabilities	33	3,869,070	4,061,638
		45,400,127	63,683,953
Current liabilities			
Borrowings	32	24,027,305	29,580,497
Trade and other payables	29	60,156,496	68,257,851
Financial liabilities at fair value through profit or loss	31	144,333	107,358
Contract liabilities	30	45,870,354	44,582,302
Lease liabilities	16(b)	195,862	302,383
Current income tax liabilities		20,803,206	19,099,618
Liabilities directly associated with assets classified as held for sale	11	1,057,669	1,514,500
		152,255,225	163,444,509
Total liabilities		197,655,352	227,128,462
Total equity and liabilities		273,382,215	316,559,739

Chen Zhuo Lin
Chairman

Chan Cheuk Hung
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2022

	Attributable to shareholders of the Company												
	Share capital RMB'000 (note 34)	Share premium RMB'000 (note 34)	Shares held for Share		Statutory reserve and expansion fund RMB'000 (note 36(b))	Translation reserve RMB'000	Share-based payment reserve RMB'000 (note 36(e))	Other reserves RMB'000 (note 36(c))	Retained earnings RMB'000	Total RMB'000	Perpetual Capital Securities RMB'000 (note 37)	Non-controlling interests RMB'000	Total equity RMB'000
			Award Scheme RMB'000 (note 35)	Merger reserve RMB'000 (note 36(a))									
Balance at 1 January 2022	400,253	3,021,630	(156,588)	442,395	4,868,962	12,299	-	(1,133,417)	46,783,577	54,239,111	13,015,124	22,177,042	89,431,277
(Loss)/profit for the year	-	-	-	-	-	-	-	-	(14,981,154)	(14,981,154)	995,305	612,564	(13,373,285)
Other comprehensive (loss)/income													
Revaluation gains arising from property, plant and equipment transferred to investment properties, net of tax	-	-	-	-	-	-	-	14,958	-	14,958	-	-	14,958
Changes in the fair value of equity investments at fair value through other comprehensive income, net of tax	-	-	-	-	-	-	-	(2,360)	-	(2,360)	-	(5,997)	(8,357)
Currency translation differences	-	-	-	-	-	(10,549)	-	-	-	(10,549)	-	7,342	(3,207)
Total comprehensive (loss)/income for the year	-	-	-	-	-	(10,549)	-	12,598	(14,981,154)	(14,979,105)	995,305	613,909	(13,369,891)
Issuance of new shares	48,891	1,235,005	-	-	-	-	-	-	-	1,283,896	-	-	1,283,896
Transfer to statutory reserve and enterprise expansion funds (note 36)	-	-	-	-	624,787	-	-	-	(624,787)	-	-	-	-
Distribution to holders of Perpetual Capital Securities (note 37)	-	-	-	-	-	-	-	-	-	-	(785,952)	-	(785,952)
Disposal of partial interests in subsidiaries (note 36(c))	-	-	-	-	-	-	-	(91,922)	-	(91,922)	-	882,536	790,614
Capital injection by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	213,989	213,989
Disposal of subsidiaries (note 40)	-	-	-	-	-	-	-	-	-	-	-	(760,809)	(760,809)
Acquisition of additional interests in subsidiaries	-	-	-	-	-	-	-	(138,767)	-	(138,767)	-	(473,962)	(612,729)
Dividends distribution to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(596,522)	(596,522)
Equity-settled share based arrangement	-	-	-	-	-	-	132,990	-	-	132,990	-	-	132,990
Balance at 31 December 2022	449,144	4,256,635	(156,588)	442,395*	5,493,749*	1,750*	132,990*	(1,351,508)*	31,177,636*	40,446,203	13,224,477	22,056,183	75,726,863

	Attributable to shareholders of the Company											
	Share capital RMB'000 (note 34)	Share premium RMB'000 (note 34)	Shares held for Share Award Scheme RMB'000 (note 35)	Merger reserve RMB'000 (note 36(a))	Statutory reserve and enterprise expansion fund RMB'000 (note 36(b))	Translation reserve RMB'000	Other reserves RMB'000 (note 36(c))	Retained earnings RMB'000	Total RMB'000	Perpetual Capital Securities RMB'000 (note 37)	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2021	400,253	3,021,630	(156,588)	442,395	4,389,670	5,360	(1,420,912)	44,133,820	50,815,628	13,637,493	12,516,601	76,969,722
Profit for the year	-	-	-	-	-	-	-	6,712,036	6,712,036	983,860	1,402,141	9,098,037
Other comprehensive income/(loss):												
Revaluation gains arising from property, plant and equipment transferred to investment properties, net of tax	-	-	-	-	-	-	49,589	-	49,589	-	-	49,589
Changes in the fair value of equity investments at fair value through other comprehensive income, net of tax	-	-	-	-	-	-	(132,651)	-	(132,651)	-	1,505	(131,146)
Currency translation differences	-	-	-	-	-	6,939	-	-	6,939	-	(16,061)	(9,122)
Total comprehensive income/(loss) for the year	-	-	-	-	-	6,939	(83,062)	6,712,036	6,635,913	983,860	1,387,585	9,007,358
Transfer to statutory reserve and enterprise expansion funds (note 36)	-	-	-	-	479,292	-	-	(479,292)	-	-	-	-
Issuance of exchangeable bond attributable to equity (note 32(e))	-	-	-	-	-	-	758,459	-	758,459	-	-	758,459
Distribution to holders of Perpetual Capital Securities (note 37)	-	-	-	-	-	-	-	-	-	(979,327)	-	(979,327)
Redemption of Perpetual Capital Securities (note 37)	-	-	-	-	-	-	-	(18,878)	(18,878)	(626,902)	-	(645,780)
Capital injection by non-controlling interests (note 36(d))	-	-	-	-	-	-	1,102,816	-	1,102,816	-	9,267,064	10,369,880
Non-controlling interests on acquisition of subsidiaries (note 39)	-	-	-	-	-	-	-	-	-	-	580,364	580,364
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	(144,912)	(144,912)
Acquisition of additional interests in subsidiaries	-	-	-	-	-	-	(1,494,333)	-	(1,494,333)	-	(741,124)	(2,235,457)
Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	3,615	(3,615)	-	-	-	-
Dividends distribution to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(688,536)	(688,536)
Dividends (note 12)	-	-	-	-	-	-	-	(3,560,494)	(3,560,494)	-	-	(3,560,494)
Balance at 31 December 2021	400,253	3,021,630	(156,588)	442,395*	4,868,962*	12,299*	(1,133,417)*	46,783,577*	54,239,111	13,015,124	22,177,042	89,431,277

* These reserve accounts comprise the consolidated reserves of RMB35,897,012,000 (2021: RMB50,973,816,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2022

	Note	2022 RMB'000	2021 RMB'000
Cash flows from operating activities			
(Loss)/profit before income tax		(10,371,929)	16,896,829
Adjustments for:			
Interest income	5	(496,579)	(1,180,777)
Depreciation of property, plant and equipment	14	703,823	606,339
Amortisation of other intangible assets	18	332,908	365,275
Depreciation of right-of-use assets	16	268,987	333,779
Write-down of completed properties held for sale and properties under development	6	3,788,621	742,256
Write-down of the disposal groups to fair value less costs to sell	6	151,620	–
Impairment of goodwill	17	403,115	29,885
Impairment of property, plant and equipment	14	284,933	–
Impairment of other intangible assets	18	17,527	–
Net impairment losses on financial and contract assets	25	1,687,410	500,245
Gains on redemption of senior notes	5	(119,734)	–
Losses/(gains) on disposal of right-of-use assets, investment properties, property, plant and equipment and other intangible assets	5	622,749	(701,272)
Net exchange gains	5	(62,142)	(11,280)
Fair value gains on investment properties	5, 15	(28,357)	(230,261)
Share of losses/(profits) of investments accounted for using the equity method	19	757,452	(794,239)
Impairment losses on investments accounted for using the equity method	6, 19	1,401,226	313,733
Finance costs, net	7	3,101,837	1,414,437
Gains from disposal of subsidiaries	5, 40	(853,958)	(4,261,335)
Gains from bargain purchase of subsidiaries	5, 39	(6,790)	–
Remeasurement loss/(gains) resulting from joint ventures transferred to subsidiaries	5, 19	5,094	(4,222)
Net fair value losses on financial assets/liabilities at fair value through profit or loss	6	916,218	1,980
Fair value losses/(gains) on put options written on non-controlling interests	5	31,086	(2,330)
(Gains)/losses from disposal of joint ventures and associates	5	(1,119,909)	66,266
Revenue from operating concessions construction		(488)	(1,123)
Equity-settled share based arrangement expenses		132,990	–
		1,547,710	14,084,185
Decrease/(increase) in properties under development and completed properties held for sale		13,408,652	(3,949,801)
Decrease in prepayments for acquisition of land use rights		206,228	6,176,865
Decrease/(increase) in restricted cash		4,550,515	(882,390)
Increase in trade and other receivables		(7,780,292)	(6,126,716)
Increase/(decrease) in trade and other payables		5,460,214	(4,782,772)
Decrease/(increase) in contract assets		251,238	(1,946,023)
Increase in contract liabilities		2,298,958	10,861,619
Cash generated from operations		19,943,223	13,434,967
Interest paid		(4,641,009)	(6,798,923)
Income tax paid		(2,888,405)	(5,706,181)
Net cash generated from operating activities		12,413,809	929,863

	Note	2022 RMB'000	2021 RMB'000
Cash flows from investing activities			
Advance consideration received from disposal of equity interests in certain subsidiaries		10,000	1,223,000
Net cash inflow/(outflow) from disposal of subsidiaries	40	1,041,286	(2,068,211)
Investments in associates and joint ventures		(363,124)	(10,165,301)
Purchases of property, plant and equipment, investment properties, right-of-use assets		(2,965,690)	(1,942,932)
Proceeds received from disposal of right-of-use assets, investment properties, property, plant and equipment		2,744,987	1,262,927
Cash inflow/(outflow) from acquisition of subsidiaries through business combinations	39	53,707	(595,408)
Cash advances made to joint ventures, associates and other related parties		(3,981,957)	(6,736,740)
Repayment of cash advances from joint ventures, associates and other related parties		7,155,591	5,334,717
Repayment of cash advances from non-controlling interests		567,973	310,878
Cash advance made to non-controlling interests		(2,147,912)	(854,211)
Payment to settle derivative financial instruments		(236,305)	(804,848)
Payment for acquisition of financial assets at fair value through other comprehensive income		-	(30,056)
Purchase of wealth management products		(5,002,411)	(22,227,520)
Redemption of wealth management products		4,432,415	22,430,602
Increase in restricted bank deposits for the purpose of potential acquisition		-	(3,300,200)
Payment for acquisition of other financial assets at fair value through profit or loss		(637,939)	(1,346,755)
Proceeds from settlement of other financial assets at fair value through profit or loss		399,926	356
Proceeds from disposal of financial assets at fair value through other comprehensive income		-	15,595
Proceeds from disposal of joint ventures and associates		1,821,038	436,647
Interest and dividend income received		763,633	2,773,790
Net cash generated from/(used in) investing activities		3,655,218	(16,283,670)

	Note	2022 RMB'000	2021 RMB'000
Cash flows from financing activities			
Redemption of Perpetual Capital Securities		–	(645,780)
Net proceeds from borrowings		7,813,816	42,952,498
Repayments of borrowings		(33,397,928)	(52,236,082)
Decrease/(increase) in guarantee deposit for borrowings		2,823,626	(2,714,946)
Cash advances from related parties		1,751,252	5,573,809
Repayments of cash advances made to related parties		(4,686,989)	(3,541,834)
Cash advance from non-controlling interests and third parties		880,464	7,639,745
Repayments of cash advances from non-controlling interests and third parties		(6,037,362)	(3,492,044)
Disposal of partial interests in subsidiaries		790,614	–
Capital injection by non-controlling interests		159,089	10,369,880
Principal elements of lease payments		(211,435)	(324,525)
Payment to non-controlling interests from acquisition of additional interests in subsidiaries		(133,366)	(2,135,457)
Distribution to holders of Perpetual Capital Securities		(785,952)	(979,327)
Issuance of new shares	34	1,283,896	–
Dividends paid to shareholders of the Company		–	(3,560,494)
Dividends paid to non-controlling interests		(549,312)	(652,315)
Net cash used in financing activities		(30,299,587)	(3,746,872)
Net decrease in cash and cash equivalents			
Cash and cash equivalents at beginning of the year		22,802,716	41,925,908
Exchange losses on cash and cash equivalents		(109,077)	(22,513)
Cash and cash equivalents at end of the year	28	8,463,079	22,802,716
Analysis of balances of cash and cash equivalents			
Cash and bank balances	28	8,463,079	22,802,716

1 General information

Agile Group Holdings Limited (the "Company") is a limited liability company incorporated in the Cayman Islands on 14 July 2005 and is principally engaged in investment holding. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company and its subsidiaries (the "Group") are principally engaged in property development and property management in the People's Republic of China (the "PRC").

The Company's shares have been listed on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") since 15 December 2005.

In the opinion of the Company's directors, the immediate holding company and the ultimate holding company of the Company are Top Coast Investment Limited and Full Choice Investments Limited, respectively.

Information about subsidiaries

Particulars of the Company's principal subsidiaries as at 31 December 2022 are as follows:

Name	Place of incorporation and legal status	Registered/issued ordinary and paid-up capital	Principal activities/ place of operation	Proportion of equity directly held by the Company (%)	Proportion of equity held by the Group (%)	Proportion of equity held by non-controlling interests (%)
Eastern Supreme Group Holdings Limited (directly held by the Company)	British Virgin Islands (the "BVI")/limited liability company	USD\$50,000	Investment holding/ Hong Kong	100%	100%	-
雅生活智慧城市服務股份有限公司 A-Living Smart City Services Co., Ltd. ("A-Living") (note (ii))	PRC/foreign invested enterprise	RMB1,420,000,800	Property management/ Mainland China	-	47.44%	52.56%
雅居樂地產置業有限公司 Agile Property Land Co., Ltd. (note (iii))	PRC/wholly foreign owned enterprise	RMB50,000,000	Management consultant/ Mainland China	-	100%	-
中山雅居樂雍景園房地產有限公司 Zhongshan Agile Majestic Garden Real Estate Co., Ltd. (note (iii))	PRC/wholly foreign owned enterprise	HK\$1,428,571,429	Property development/ Mainland China	-	100%	-
廣州番禺雅居樂房地產開發有限公司 Guangzhou Panyu Agile Realty Development Co., Ltd. (note (ii) and note (iii))	PRC/wholly foreign owned enterprise	RMB500,000,000	Property development/ Mainland China	-	100%	-
廣州花都雅居樂房地產開發有限公司 Guangzhou Huadu Agile Realty Development Co., Ltd. (note (iii))	PRC/wholly foreign owned enterprise	RMB455,000,000	Property development/ Mainland China	-	100%	-
佛山市南海區雅居樂房地產有限公司 Foshan Nanhai Agile Real Estate Development Co., Ltd. (note (iii))	PRC/wholly foreign owned enterprise	RMB300,000,000	Property development/ Mainland China	-	100%	-

1 General information (continued)

Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries as at 31 December 2022 are as follows: (continued)

Name	Place of incorporation and legal status	Registered/issued ordinary and paid-up capital	Principal activities/ place of operation	Proportion of equity directly held by the Company (%)	Proportion of equity held by the Group (%)	Proportion of equity held by non-controlling interests (%)
中山市凱茵豪園房地產開發有限公司 Zhongshan Greenville Realty Development Co., Ltd. (note (iii))	PRC/wholly foreign owned enterprise	RMB208,163,265	Property development/ Mainland China	-	100%	-
中山市雅建房地產發展有限公司 Zhongshan Ever Creator Real Estate Development Co., Ltd. (note (iii))	PRC/wholly foreign owned enterprise	RMB251,020,408	Property development/ Mainland China	-	100%	-
廣州雅居樂實業投資有限公司 Guangzhou Agile Industrial Investment Co., Ltd. (note (iii))	PRC/wholly foreign owned enterprise	US\$21,690,000	Property development/ Mainland China	-	100%	-
佛山市雅居樂房地產有限公司 Foshan Agile Real Estate Development Co., Ltd. (note (iii))	PRC/wholly foreign owned enterprise	US\$117,500,000	Property development/ Mainland China	-	100%	-
南京雅居樂房地產開發有限公司 Nanjing Agile Real Estate Development Co., Ltd. (note (iii))	PRC/wholly foreign owned enterprise	US\$118,900,000	Property development/ Mainland China	-	100%	-
河源市雅居樂房地產開發有限公司 Heyuan Agile Real Estate Development Co., Ltd. (note (iii))	PRC/wholly foreign owned enterprise	HK\$270,000,000	Property development/ Mainland China	-	100%	-
海南清水灣控股有限公司 Hainan Clearwater Bay Holdings Limited	BVI/limited liability company	US\$69	Investment holding/ BVI	-	100%	-
海南雅居樂房地產開發有限公司 Hainan Agile Real Estate Development Co., Ltd. ("Hainan Agile") (note (iii))	PRC/foreign invested enterprise	HK\$3,187,540,000	Property development/ Mainland China	-	100%	-
海南雅恒房地產發展有限公司 Hainan Yaheng Real Estate Development Co., Ltd. ("Hainan Yaheng") (note (iii))	PRC/foreign invested enterprise	HK\$1,770,000,000	Property development/ Mainland China	-	100%	-

1 General information (continued)

Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries as at 31 December 2022 are as follows: (continued)

Name	Place of incorporation and legal status	Registered/issued ordinary and paid-up capital	Principal activities/ place of operation	Proportion of equity directly held by the Company (%)	Proportion of equity held by the Group (%)	Proportion of equity held by non-controlling interests (%)
廣州從化雅居樂房地產開發有限公司 Guangzhou Conghua Agile Real Estate Development Co., Ltd. (note (iii))	PRC/wholly foreign owned enterprise	HK\$570,000,000	Property development/ Mainland China	-	100%	-
四川雅居樂房地產開發有限公司 Sichuan Agile Real Estate Development Co., Ltd. (note (iii))	PRC/wholly foreign owned enterprise	HK\$780,000,000	Property development/ Mainland China	-	100%	-
佛山市三水雅居樂房地產有限公司 Foshan Sanshui Agile Real Estate Development Co., Ltd. (note (iii))	PRC/wholly foreign owned enterprise	HK\$200,000,000	Property development/ Mainland China	-	100%	-
陝西昊瑞房地產開發有限責任公司 Shanxi Haorui Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB210,000,000	Property development/ Mainland China	-	100%	-
上海靜安城投重慶置業有限公司 Shanghai Jing'an Chengtou Chongqing Land Co., Ltd. (note (iii))	PRC/wholly foreign owned enterprise	HK\$300,000,000	Property development/ Mainland China	-	100%	-
雅恒數字(上海)商業管理有限公司 Yaheng Digital (Shanghai) Business Management Co., Ltd. (notes (ii) and (iii))	PRC/wholly foreign owned enterprise	RMB810,000,000	Property development/ Mainland China	-	100%	-
廣州雅居樂酒店有限公司 Guangzhou Agile Hotel Co., Ltd. (note (iii))	PRC/wholly foreign owned enterprise	HK\$7,000,000	Hotel operation/ Mainland China	-	100%	-
佛山市雅居樂酒店有限公司 Foshan Agile Hotel Co., Ltd. (note (iii))	PRC/wholly foreign owned enterprise	HK\$10,000,000	Hotel operation/ Mainland China	-	100%	-
廣州雅恒房地產開發有限公司 Guangzhou Yaheng Real Estate Development Co., Ltd. (note (iii))	PRC/wholly foreign owned enterprise	US\$203,877,551	Property development/ Mainland China	-	100%	-

1 General information (continued)

Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries as at 31 December 2022 are as follows: (continued)

Name	Place of incorporation and legal status	Registered/issued ordinary and paid-up capital	Principal activities/ place of operation	Proportion of equity directly held by the Company (%)	Proportion of equity held by the Group (%)	Proportion of equity held by non-controlling interests (%)
中山市雅信房地產開發有限公司 Zhongshan Yaxin Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB220,000,000	Property development/ Mainland China	-	100%	-
中山市雅創房地產開發有限公司 Zhongshan Yachuang Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB350,000,000	Property development/ Mainland China	-	100%	-
廣州雅生房地產開發有限公司 Guangzhou Yasheng Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB100,000,000	Property development/ Mainland China	-	100%	-
中山市雅景房地產開發有限公司 Zhongshan Yajing Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB310,000,000	Property development/ Mainland China	-	100%	-
廣州雅粵房地產開發有限公司 Guangzhou Yayue Real Estate Development Co., Ltd. (note (iii))	PRC/wholly foreign owned enterprise	HK\$1,000,000,000	Property development/ Mainland China	-	100%	-
廣州雅騰房地產開發有限公司 Guangzhou Yateng Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability company	HK\$100,000,000	Property development/ Mainland China	-	100%	-
佛山市三水雅居樂雍園房地產有限公司 Foshan Sanshui Agile Majestic Garden Real Estate Co., Ltd. (note (iii))	PRC/limited liability company	RMB300,000,000	Property development/ Mainland China	-	100%	-
廣東西樵商貿廣場有限公司 Guangdong Xiqiao Commerce Plaza Co., Ltd. (note (iii))	PRC/limited liability company	RMB30,000,000	Property development/ Mainland China	-	100%	-

1 General information (continued)

Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries as at 31 December 2022 are as follows: (continued)

Name	Place of incorporation and legal status	Registered/issued ordinary and paid-up capital	Principal activities/ place of operation	Proportion of equity directly held by the Company (%)	Proportion of equity held by the Group (%)	Proportion of equity held by non-controlling interests (%)
南京江寧雅居樂房地產開發有限公司 Nanjing Jiangning Agile Real Estate Development Co., Ltd. (note (iii))	PRC/wholly foreign owned enterprise	US\$119,800,000	Property development/ Mainland China	-	100%	-
遼寧雅居樂房地產開發有限公司 Liaoning Agile Real Estate Development Co., Ltd. (note (iii))	PRC/wholly foreign owned enterprise	US\$59,990,000	Property development/ Mainland China	-	100%	-
西安雅居樂物業投資管理有限公司 Xi'an Agile Property Investment Management Co., Ltd. (note (iii))	PRC/limited liability company	RMB650,000,000	Property development/ Mainland China	-	100%	-
佛山市順德區雅居樂房地產有限公司 Foshan Shunde Agile Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB450,000,000	Property development/ Mainland China	-	100%	-
南京雅建置業有限公司 Nanjing Yajian Land Co., Ltd. (note (iii))	PRC/limited liability company	RMB450,000,000	Property development/ Mainland China	-	100%	-
常州雅居樂房地產開發有限公司 Changzhou Agile Real Estate Development Co., Ltd. (note (iii))	PRC/wholly foreign owned enterprise	US\$418,367,347	Property development/ Mainland China	-	100%	-
騰沖雅居樂旅遊置業有限公司 Tengchong Agile Resort Co., Ltd. (note (iii))	PRC/wholly foreign owned enterprise	RMB550,000,000	Property development/ Mainland China	-	100%	-
海南雅航旅遊置業有限公司 Hainan Yahang Travel Property Co., Ltd. (note (iii))	PRC/wholly foreign owned enterprise	RMB1,122,450,000	Property development/ Mainland China	-	100%	-
西雙版納雅居樂旅遊置業有限公司 Xishuangbanna Agile Resort Co., Ltd. (note (iii))	PRC/wholly foreign owned enterprise	RMB500,000,000	Property development/ Mainland China	-	100%	-
瑞麗雅居樂旅遊置業有限公司 Ruili Agile Resort Co., Ltd. (note (iii))	PRC/wholly foreign owned enterprise	RMB304,000,000	Property development/ Mainland China	-	100%	-

1 General information (continued)

Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries as at 31 December 2022 are as follows: (continued)

Name	Place of incorporation and legal status	Registered/issued ordinary and paid-up capital	Principal activities/ place of operation	Proportion of equity directly held by the Company (%)	Proportion of equity held by the Group (%)	Proportion of equity held by non-controlling interests (%)
西安曲江雅居樂房地產開發有限公司 Xi'an Qujiang Agile Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB664,000,000	Property development/ Mainland China	-	70%	30%
佛山市順德區雅新房地產開發有限公司 Foshan Shunde Yaxin Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB450,000,000	Property development/ Mainland China	-	100%	-
揚州雅居樂房地產開發有限公司 Yangzhou Agile Real Estate Development Co., Ltd. (note (iii))	PRC/foreign invested enterprise	HK\$1,130,000,000	Property development/ Mainland China	-	100%	-
來安雅居樂房地產開發有限公司 Lai'an Agile Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB250,000,000	Property development/ Mainland China	-	60%	40%
無錫雅居樂房地產開發有限公司 Wuxi Agile Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB400,000,000	Property development/ Mainland China	-	100%	-
上海松江雅居樂房地產開發有限公司 Shanghai SongJiang Agile Real Estate Development Co., Ltd. (note (iii))	PRC/wholly foreign owned enterprise	RMB903,000,000	Property development/ Mainland China	-	100%	-
昆山市富恒房地產開發有限公司 Kunshan Fuheng Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB130,000,000	Property development/ Mainland China	-	100%	-
中山市雅尚房地產開發有限公司 Zhongshan Yashang Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB300,000,000	Property development/ Mainland China	-	100%	-
杭州余杭雅居樂房地產開發有限公司 Hangzhou Yuhang Agile Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB30,000,000	Property development/ Mainland China	-	100%	-

1 General information (continued)

Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries as at 31 December 2022 are as follows: (continued)

Name	Place of incorporation and legal status	Registered/issued ordinary and paid-up capital	Principal activities/ place of operation	Proportion of equity directly held by the Company (%)	Proportion of equity held by the Group (%)	Proportion of equity held by non-controlling interests (%)
南京濱江雅居樂房地產開發有限公司 Nanjing Binjiang Agile Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB2,080,722,000	Property development/ Mainland China	-	100%	-
鄭州雅居樂房地產開發有限公司 Zhengzhou Agile Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB100,000,000	Property development/ Mainland China	-	60%	40%
佛山市南海區雅恒房地產開發有限公司 Foshan Nanhai Yaheng Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB200,000,000	Property development/ Mainland China	-	100%	-
武漢長凱物業發展有限公司 Wuhan Changkai Property Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB621,148,000	Property development/ Mainland China	-	100%	-
中山市雅盈房地產開發有限公司 Zhongshan Yaying Real Estate Development Company Limited (note (iii))	PRC/limited liability company	RMB1,000,000	Property development/ Mainland China	-	100%	-
北京雅晟房地產開發有限公司 Beijing Yasheng Real Estate Development Co., Ltd. (note (iii))	PRC/wholly foreign owned enterprise	RMB1,000,000,000	Property development/ Mainland China	-	100%	-
中山市世光創建置業有限公司 Zhongshan Shiguang Chuangjian Zhiye Company Limited (note (iii))	PRC/limited liability company	RMB100,000,000	Property development/ Mainland China	-	100%	-
重慶雅恒房地產開發有限公司 Chongqing Yaheng Real Estate Development Co. Ltd. (note (iii))	PRC/limited liability company	RMB600,000,000	Property development/ Mainland China	-	100%	-
廣州雅悅房地產開發有限公司 Guangzhou Yayue Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB200,000,000	Property development/ Mainland China	-	100%	-

1 General information (continued)

Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries as at 31 December 2022 are as follows: (continued)

Name	Place of incorporation and legal status	Registered/issued ordinary and paid-up capital	Principal activities/ place of operation	Proportion of equity directly held by the Company (%)	Proportion of equity held by the Group (%)	Proportion of equity held by non-controlling interests (%)
漢中龍騰雅居房地產開發有限公司 Hanzhong Longteng Yaju Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB50,000,000	Property development/ Mainland China	-	100%	-
河南雅同置業有限公司 Henan Yatong Land Co., Ltd. (note (iii))	PRC/limited liability company	RMB209,402,000	Property development/ Mainland China	-	100%	-
海南雅海旅遊發展有限公司 Hainan Yahai Travel Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB644,073,000	Property development/ Mainland China	-	61%	39%
山西雅居晉明房地產開發有限公司 Shanxi Yaju Jinming Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB55,555,556	Property development/ Mainland China	-	82%	18%
合肥雅坤房地產開發有限公司 Hefei Yakun Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB125,000,000	Property development/ Mainland China	-	100%	-
佛山雅建房地產開發有限公司 Foshan Yajian Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB10,055,451	Property development/ Mainland China	-	100%	-
南京雅寧房地產開發有限公司 Nanjing Yanning Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability company	RMB50,291,692	Property development/ Mainland China	-	100%	-
四川雅潤房地產開發有限公司 Sichuan Yarun Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability Company	RMB100,000,000	Property development/ Mainland China	-	100%	-
天津市雅澤房地產開發有限公司 Tianjin Yaze Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability Company	RMB30,000,000	Property development/ Mainland China	-	100%	-

1 General information (continued)

Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries as at 31 December 2022 are as follows: (continued)

Name	Place of incorporation and legal status	Registered/issued ordinary and paid-up capital	Principal activities/ place of operation	Proportion of equity directly held by the Company (%)	Proportion of equity held by the Group (%)	Proportion of equity held by non-controlling interests (%)
重慶雅源房地產開發有限公司 Chongqing Yahao Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability Company	RMB100,000,000	Property development/ Mainland China	-	100%	-
中山市雅軒房地產開發有限公司 Zhongshan Yaxuan Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability Company	RMB3,000,000	Property development/ Mainland China	-	100%	-
常州雅勁房地產開發有限公司 Changzhou Yajing Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability Company	RMB746,938,776	Property development/ Mainland China	-	100%	-
大理美詔房地產開發有限公司 Dali Meizhao Real Estate Development Co., Ltd. (note (iii))	PRC/limited liability Company	RMB400,000,000	Property development/ Mainland China	-	100%	-
玉林市新滔環保科技有限公司 Yulin Xintao Eco Technology Co., Ltd. (note (iii))	PRC/limited liability Company	RMB1,200,000,000	Property development/ Mainland China	-	100%	-
北京京林園林集團有限公司 Beijing Jinglin Garden Group Co. Ltd. (note (iii))	PRC/limited liability Company	RMB62,500,000	Property development/ Mainland China	-	51%	49%
振中建設集團有限公司 Zhenzhong Construction Group Co., Ltd. (note (iii))	PRC/limited liability Company	RMB3,030,000,000	Property development/ Mainland China	-	100%	-
廣州市雅豐建築材料有限公司 Guangzhou Yafeng Construction Material Co., Ltd. (note (iii))	PRC/limited liability Company	RMB1,020,000,000	Property development/ Mainland China	-	100%	-
廣州市雅玥園林工程有限公司 Guangzhou Yayue Landscape Engineering Co., Ltd. (note (iii))	PRC/limited liability Company	RMB1,010,200,000	Property development/ Mainland China	-	100%	-

1 General information (continued)

Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries as at 31 December 2022 are as follows: (continued)

Structured entity	Principal activities
The Company's Employee Share Trust	Purchases, administers and holds the Company's shares in respect of the Share Award Scheme set up for the benefit of eligible employees

As the Company's Employee Share Trust is set up solely for the purpose of purchasing, administering and holding the Company's shares in respect of the Share Award Scheme, the Company has the rights to variable returns from its involvement with the Employee Share Trust and has the ability to affect those returns through its power over the trust. The assets and liabilities of the Employee Share Trust are included in the Group's consolidated financial statements and the shares held by the Employee Share Trust are presented as a deduction in equity as "Shares held for Share Award Scheme".

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

Notes:

- (i) A-Living Smart City Services Co., Ltd. ("A-Living") is a company listed on the Main Board of the Hong Kong Stock Exchange. As at 31 December 2022, the Group held 35,000,000 (2021: 35,000,000) listed shares of A-Living pledged as collateral for the exchangeable bonds issued by a subsidiary of the Company. In addition, as at 31 December 2022, 207,000,000 listed shares of A-Living are pledged as collateral for the bank borrowings of the Group.

As the Group has exposure or rights to variable returns from its involvement with A-Living and has the ability to affect the returns through its significant voting rights relative to the size and dispersion of holdings of other shareholders, the Group has practical ability to exercise control of A-Living and thus A-Living is regarded as a subsidiary of the Group.

- (ii) As at 31 December 2022, Guangzhou Panyu Agile Realty Development Co., Ltd issued PRC corporate bonds (note 32(b)) and asset-backed securities note 32(d)), Yaheng Digital (Shanghai) Business Management Co., Ltd. issued commercial mortgage backed securities (note 32(c)) and Farsail Goldman International Limited issued exchangeable bond (note 32(e)). Other subsidiaries of the Company listed above have not issued any debt securities.

- (iii) The names of the companies represent management's best efforts at translating the Chinese names of these companies as no English names have been registered or available.

- (iv) The equity interests in certain subsidiaries are pledged as at the end of the reporting period (note 32).

2.1 Basis of preparation

Going concern basis

During the year ended 31 December 2022, the Group recorded a net loss of RMB13,373,285,000. As at 31 December 2022, the Group had cash and bank balances (including restricted cash) of RMB16,091,428,000 and short term borrowings of RMB24,027,305,000.

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) to accelerate the pre-sale of properties and to speed up the collection of sales proceeds;
- (ii) to closely monitor the process of construction of its property development projects to ensure that construction and related payments are fulfilled, 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) to continue to seek 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;
- (iv) to dispose certain of its non-core properties and non-core businesses to generate more cashflow when needed; and
- (v) not to commit on significant capital expenditures and land acquisitions before securing the necessary funding.

Taking into account (i) the Group's net current assets position of RMB27,858,058,000; (ii) the cash flow projection including the Group's ability to obtain new financing, to renew or refinance the existing credit facilities before maturity; (iii) the Group has successfully obtained new borrowings of approximately RMB4,245,000,000 after the end of the reporting period and up to the date of this report; and (iv) 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 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.

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, financial assets at fair value through other comprehensive income ("FVOCI") and financial assets and financial liabilities at fair value through profit or loss ("FVPL") which have been measured at fair value. Disposal groups classified as held for sale are stated at the lower of their carrying amounts and fair values less costs to sell as further explained in note 2.4. These consolidated financial statements are presented in Renminbi and all values are rounded to the nearest thousand except when otherwise indicated.

2.1 Basis of preparation (continued)

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 2022. A subsidiary is an entity (including a structured 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 Company 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 (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) 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.

2.2 Changes in accounting policies and disclosures

The Group has adopted the following revised HKFRSs for the first time for the current year's consolidated financial statements.

Amendments to HKFRS 3	<i>Reference to the Conceptual Framework</i>
Amendment to HKFRS 16	<i>Covid-19-Related Rent Concessions beyond 30 June 2021</i>
Amendments to HKAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>
Amendments to HKAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
Annual Improvements to HKFRSs 2018-2020	<i>Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41</i>

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

- a) Amendments to HKFRS 3 replace a reference to the previous Framework for the Preparation and Presentation of Financial Statements with a reference to the Conceptual Framework for Financial Reporting (the "Conceptual Framework") issued in June 2018 without significantly changing its requirements. The amendments also add to HKFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of HKAS 37 or HK(IFRIC)-Int 21 if they were incurred separately rather than assumed in a business combination, an entity applying HKFRS 3 should refer to HKAS 37 or HK(IFRIC)-Int 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date.

The Group has applied the amendments prospectively to business combinations that occurred on or after 1 January 2022. As there were no contingent assets, liabilities and contingent liabilities within the scope of the amendments arising in the business combinations that occurred during the year, the amendments did not have any impact on the financial position and performance of the Group.

2.2 Changes in accounting policies and disclosures (continued)

- b) Amendments to HKAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items as determined by HKAS 2 *Inventories*, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 January 2021. Since there was no sale of items produced prior to the property, plant and equipment being available for use, the amendments did not have any impact on the financial position or performance of the Group.
- c) Amendments to HKAS 37 clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 January 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.
- d) Annual Improvements to HKFRSs 2018-2020 set out amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41. Details of the amendments that are applicable to the Group are as follows:

HKFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively from 1 January 2022. As there was no modification or exchange of the Group's financial liabilities during the year, the amendment did not have any impact on the financial position or performance of the Group.

2.3 Issued but not yet effective Hong Kong financial reporting standards

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these consolidated financial statements.

Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or and Joint Venture</i> ³
Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i> ²
HKFRS 17	<i>Insurance Contracts</i> ¹
Amendments to HKFRS 17	<i>Insurance Contracts</i> ^{1,5}
Amendment to HKFRS 17	<i>Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information</i> ⁶
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current (the “2020 Amendments”)</i> ^{2,4}
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants (the “2022 Amendments”)</i> ²
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i> ¹
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i> ¹
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i> ¹

¹ Effective for annual periods beginning on or after 1 January 2023

² Effective for annual periods beginning on or after 1 January 2024

³ No mandatory effective date yet determined but available for adoption

⁴ As a consequence of the 2022 Amendments, the effective date of the 2020 Amendments was deferred to annual periods beginning on or after 1 January 2024. In addition, as a consequence of the 2020 Amendments and 2022 Amendments, Hong Kong Interpretation 5 *Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* was revised to align the corresponding wording with no change in conclusion

⁵ As a consequence of the amendments to HKFRS 17 issued in October 2020, HKFRS 4 was amended to extend the temporary exemption that permits insurers to apply HKAS 39 rather than HKFRS 9 for annual periods beginning before 1 January 2023

⁶ An entity that chooses to apply the transition option relating to the classification overlay set out in this amendment shall apply it on initial application of HKFRS 17

Further information about those HKFRSs that are expected to be applicable to the Group is described below.

Amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor’s profit or loss only to the extent of the unrelated investor’s interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 (2011) was removed by the HKICPA in January 2016 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

2.3 Issued but not yet effective Hong Kong financial reporting standards (continued)

Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendments are effective for annual periods beginning on or after 1 January 2024 and shall be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of HKFRS 16 (i.e., 1 January 2019). Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKAS 1 *Classification of Liabilities as Current or Non-current* clarify the requirements for classifying liabilities as current or non-current, in particular the determination over whether an entity has a right to defer settlement of the liabilities for at least 12 months after the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability. The amendments also clarify the situations that are considered a settlement of a liability. In 2022, the HKICPA issued the 2022 Amendments to further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. In addition, the 2022 Amendments require additional disclosures by an entity that classifies liabilities arising from loan arrangements as non-current when it has a right to defer settlement of those liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period. The amendments are effective for annual periods beginning on or after 1 January 2024 and shall be applied retrospectively. Earlier application is permitted. An entity that applies the 2020 Amendments early is required to apply simultaneously the 2022 Amendments, and vice versa. The Group is currently assessing the impact of the amendments and whether existing loan agreements may require revision. Based on a preliminary assessment, the amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKAS 1 *Disclosure of Accounting Policies* 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 HKFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. Amendments to HKAS 1 are effective for annual periods beginning on or after 1 January 2023 and earlier application is permitted. Since the guidance provided in the amendments to HKFRS Practice Statement 2 is non-mandatory, an effective date for these amendments is not necessary. The Group is currently revisiting the accounting policy disclosures to ensure consistency with the amendments.

Amendments to HKAS 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. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 Issued but not yet effective Hong Kong financial reporting standards (continued)

Amendments to HKAS 12 narrow the scope of the initial recognition exception in HKAS 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 amendments are effective for annual reporting periods beginning on or after 1 January 2023 and shall be applied to transactions related to leases and decommissioning obligations at the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to the opening balance of retained profits or other component of equity as appropriate at that date. In addition, the amendments shall be applied prospectively to transactions other than leases and decommissioning obligations. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

2.4 Summary of significant accounting policies

Investments accounted for using the equity method

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

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

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

2.4 Summary of significant accounting policies (continued)

Investments accounted for using the equity method (continued)

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

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

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

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

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in consolidated statement of profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in consolidated statement of profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in consolidated statement of profit or loss as a gain on bargain purchase.

2.4 Summary of significant accounting policies (continued)

Business combinations and goodwill (continued)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

2.4 Summary of significant accounting policies (continued)

Fair value measurement (continued)

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

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than properties under development, completed properties held for sale, contract assets, deferred tax assets, financial assets, investment properties and disposal groups classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the consolidated statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the consolidated statement of profit or loss in the period in which it arises.

2.4 Summary of significant accounting policies (continued)

Related parties

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

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

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

2.4 Summary of significant accounting policies (continued)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5, as further explained in the accounting policy for “Non-current assets and disposal groups held for sale”. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the consolidated statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	10 to 30 years
Office equipment	5 to 10 years
Transportation equipment	4 to 10 years
Machinery	5 to 10 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the consolidated statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents buildings and machinery under construction or installation, which are stated at cost less any impairment losses, and are not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction or installation. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

2.4 Summary of significant accounting policies (continued)

Investment properties

Investment properties are interests in land and buildings (including the leasehold property held as a right-of-use asset which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

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

Any gains or losses on the retirement or disposal of an investment property are recognised in the consolidated statement of profit or loss in the year of the retirement or disposal.

For a transfer from investment properties to owner-occupied properties or inventories, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use. If a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under "Property, plant and equipment and depreciation" for owned property and/or accounts for such property in accordance with the policy stated under "Right-of-use assets" for property held as a right-of-use asset up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is accounted for as a revaluation and dealt with as movements in the asset revaluation reserve. For a transfer from inventories to investment properties, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the consolidated statement of profit or loss.

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups (other than investment properties and financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

Properties under development and completed properties held for sale

Properties under development and completed properties held for sale are stated at the lower of cost and net realisable value. Upon completion, the properties are transferred to completed properties held for sale.

The costs of properties under development and completed properties held for sale consist of land costs, construction expenditures, borrowing costs capitalised and other direct costs. Net realisable value is based on estimated selling price in the ordinary course of business as determined by management with reference to the prevailing market conditions, less further costs expected to be incurred to completion and cost to make the sale.

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

2.4 Summary of significant accounting policies (continued)

Prepayments for acquisition of land use rights

Prepayments for acquisition of land use rights are classified as current assets when they are acquired for the future property development projects for sale. They are stated at the lower of cost and net realisable value.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Trademarks and licences

Trademarks and licences acquired in a business combination are recognised at fair value at the acquisition date. Trademarks have a finite useful life and are carried at cost less accumulated amortisations. Amortisation is calculated using the straight-line method to allocate the cost of trademarks over their estimated useful lives of 5 to 20 years.

Customer relationships and backlogs

Customer relationships and backlog acquired in a business combination are recognised at fair value at the acquisition date. The contractual customer relationships and backlogs have a finite useful life and are carried at cost less accumulated amortisations. Amortisation is calculated using the straight-line method over the expected life of 2 to 20 years for the customer relationships and backlogs.

Computer software

Computer software is stated at cost and is amortised on the straight-line basis over its estimated useful life of 2 to 10 years. The useful life of software is determined mainly with reference to (i) maintenance expenditure required to obtain the expected future economic benefits from the software for continuous operations, (ii) expected usage required from the operations of the Group and the infrequent change of the software, (iii) product life cycles for the similar software used in the past, and (iv) the period of control over the software.

Operating concessions

Operating concessions are capitalised on the basis of the costs incurred to build and operate water waste treatment plants and refuse-burning power plant. These costs are amortised over the shorter of their estimated useful lives or service concession period of 3 to 28 years.

2.4 Summary of significant accounting policies (continued)

Service concession arrangements

(a) Service concession arrangements under financial asset model

A financial asset (receivables under a service concession arrangement) is recognised to the extent that the Group has an unconditional right to receive cash or another financial asset from the grantor for the construction services rendered. This right arises where the grantor has little or no discretion to avoid payment, usually because the agreement is enforceable by law. The Group has an unconditional right to receive cash if the grantor contractually guarantees to pay the Group specified or determinable amounts or the shortfall, if any, between amounts received from the users of the public service and the specified or determinable amounts. The financial asset (receivable under a service concession arrangement) is accounted for in accordance with the policy set out for financial assets measured at amortised cost.

During the construction period, the Group recognises a contract asset and accounts for the significant financing component in the arrangement. When the construction services are completed, the contract asset would be classified and measured as receivables under a service concession arrangement accordingly. The considerations for construction obligations performed will be accounted for as non-current assets during the construction period, except for the portion that are expected to be settled in the following year of operation period which will be reclassified as current contract assets.

When the Group receives a payment during the concession period, it will apportion such payment between (i) a repayment of the financial asset (if any), which will be used to reduce the carrying amount of financial receivables on the consolidated statement of financial position, (ii) interest income, will be recognised as revenue in profit or loss and (iii) revenue from infrastructure operation service in the profit or loss. Revenue from operating service is calculated based on cost plus a profit margin.

(b) Service concession arrangements under intangible asset model

An intangible asset (operating concession) is recognised to the extent that the Group receives a right to charge users of public service, which is not an unconditional right to receive cash because the amounts are contingent on the extent that the public uses and services. The intangible asset (operating concession) is accounted for in accordance with the policy set out for "intangible assets (other than goodwill)" above, which is amortised on a straight-line basis over the service concession period.

(c) Construction services

The fair value of the construction service under the concession arrangement is calculated as the estimated total construction cost plus a profit margin. The profit margins are valued by management of the Group, based on prevailing market rate applicable to similar construction services rendered on similar location at date of agreement.

2.4 Summary of significant accounting policies (continued)

Leases

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

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At inception or on reassessment of a contract that contains a lease component and non-lease components, the Group adopts the practical expedient not to separate non-lease components and to account for the lease component and the associated non-lease components (e.g., property management services for leases of properties) as a single lease component.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Where applicable, the cost of a right-of-use asset also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Land use rights	40 to 70 years
Properties, plant and equipment	Over the lease terms

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

When the right-of-use assets relate to interests in leasehold land held as inventories, they are subsequently measured at the lower of cost and net realisable value in accordance with the Group's policy for "properties under development and completed properties held for sale".

When a right-of-use asset meets the definition of investment property, it is included in investment properties. The corresponding right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the Group's policy for "investment properties".

2.4 Summary of significant accounting policies (continued)

Leases (continued)

Group as a lessee (continued)

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for any leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

2.4 Summary of significant accounting policies (continued)

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

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

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the consolidated statement of profit or loss when the asset is derecognised, modified or impaired.

2.4 Summary of significant accounting policies (continued)

Investments and other financial assets (continued)

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the consolidated statement of profit or loss. Dividends are recognised as other income in the consolidated statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value through profit or loss are also recognised as other income in the consolidated statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the consolidated statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

2.4 Summary of significant accounting policies (continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

2.4 Summary of significant accounting policies (continued)

Impairment of financial assets (continued)

General approach (continued)

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables and contract assets that contain a significant financing component and lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, payables and borrowings at amortised cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of payables and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, financial liabilities at fair value through profit or loss, and borrowings.

2.4 Summary of significant accounting policies (continued)

Financial liabilities (continued)

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by HKFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit or loss. The net fair value gain or loss recognised in the consolidated statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in HKFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in the consolidated statement of profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the consolidated statement of profit or loss. The net fair value gain or loss recognised in the consolidated statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities at amortised cost (payables and borrowings)

After initial recognition, borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the consolidated statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the consolidated statement of profit or loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in "Impairment of financial assets"; and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

2.4 Summary of significant accounting policies (continued)

Financial liabilities (continued)

Exchangeable bonds

The fair value of the liability portion of an exchangeable bond is determined using a market interest rate for a non-exchangeable bond with similar terms. This amount is recorded as a liability on an amortised cost basis until conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion and redemption option. This is recognised and included in shareholders' equity and derivative liability according to the conversion feature embedded. Any directly attributable transaction costs are allocated to the liability and equity or derivative liability component in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of an exchangeable bond is measured at amortised cost using the effective interest method. The equity component of an exchangeable bond is not re-measured subsequent to initial recognition except on conversion or expiry. The derivative liability component of a convertible bond is measured at fair value with changes in fair value recognised in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the consolidated statement of profit or loss.

Offsetting of financial instruments

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

Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the consolidated statement of profit or loss.

2.4 Summary of significant accounting policies (continued)

Derivative financial instruments (continued)

Initial recognition and subsequent measurement (continued)

Derivative instruments that are not designated as effective hedging instruments are classified as current or non-current or separated into current and non-current portions based on an assessment of the facts and circumstances (i.e., the underlying contracted cash flows).

- Where the Group expects to hold a derivative as an economic hedge (and does not apply hedge accounting) for a period beyond 12 months after the end of the reporting period, the derivative is classified as non-current (or separated into current and non-current portions) consistently with the classification of the underlying item.
- Embedded derivatives that are not closely related to the host contract are classified consistently with the cash flows of the host contract.
- Derivative instruments that are designated as, and are effective hedging instruments, are classified consistently with the classification of the underlying hedged item. The derivative instruments are separated into current portions and non-current portions only if a reliable allocation can be made.

Perpetual Capital Securities

Perpetual Capital Securities with no contractual obligation to repay its principal or to pay any distribution are classified as part of equity, as described in note 37.

Inventories

Raw materials

Raw materials are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

2.4 Summary of significant accounting policies (continued)

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the consolidated statement of profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2.4 Summary of significant accounting policies (continued)

Income tax (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

2.4 Summary of significant accounting policies (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

(a) Sales of properties

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

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

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset. The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the construction costs incurred up to the end of reporting period as a percentage of total estimated costs for each contract.

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

In determining the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component if it is significant.

Incremental costs incurred to obtain a contract with a customer are capitalised as contract acquisition costs if the Group expects to recover these costs. Costs of obtaining a contract are amortised when properties sales revenue is recognised.

(b) Property management services, value-added services, city sanitation and cleaning services income

Revenue from property management services (including property management services under commission basis or lump sum basis) and value-added services (including pre-delivery services, household assistance services, property agency services and other services) is recognised when services are rendered.

For property management services and city sanitation and cleaning services, the Group bills a fixed amount for services provided on a monthly basis and recognises as revenue in the amount to which the Group has a right to invoice and that corresponds directly with the value of performance completed. The Group entitles to revenue at the value of property management services and city sanitation and cleaning services fee received or receivable. The revenue of the property management services income is primarily generated from properties managed under lump sum basis.

For value-added services related to property management, revenue is recognised when the related community value-added services are rendered. Payment of the transaction is due immediately when the community value-added services are rendered to the customer.

2.4 Summary of significant accounting policies (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

(c) *Construction services income*

Revenue from construction contracts satisfies the performance obligation over time, for the performance of construction contracts creates or enhances an asset that the customer controls as the asset is created or enhanced. The Group recognised revenue over time by reference to the progress towards complete satisfaction of that performance obligation. For the contracts being able to obtain direct measurement of the value or units delivered of work performed, the customers will provide a final statement when the whole project is completed and may have adjustments on accumulated confirmation according to the actual construction efforts or inputs to the satisfaction of the performance obligation, the Group calculated the cost allocation based on specific contracts.

(d) *Environmental protection income*

Revenue arising from environmental protection is recognised in the accounting period in which environmental protection services are rendered.

(e) *Hotel operations*

Hotel revenue from room rentals, food and beverage sales and other ancillaries are recognised in the accounting period in which the services are rendered.

(f) *Design service and project management service*

Revenue from design service and project management services is recognised progressively over time based on direct measurements of the value of services delivered or surveys of work performed.

Revenue from other sources

Rental income

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Other income

(a) *Interest income*

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

(b) *Dividend income*

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets.

2.4 Summary of significant accounting policies (continued)

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Contract costs

Costs to fulfil a contract

Other than the costs which are capitalised as properties under development and completed properties held for sale, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

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

The capitalised contract costs are amortised and charged to the consolidated statement of profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

Costs to obtain a contract

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained e.g., commission to sales agents. Incremental costs of obtaining a contract are capitalised when incurred if the costs relate to revenue which will be recognised in a future reporting period and the costs are expected to be recovered. Other costs of obtaining a contract are expensed when incurred.

Share-based payments

The Company and A-Living operates a share award scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as in exchange for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the consolidated statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

2.4 Summary of significant accounting policies (continued)

Share-based payments (continued)

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Other employee benefits

Pension scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees. Contributions are made based on a percentage of the employees' basic salaries and are charged to the consolidated statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiary which operates in Mainland China are required to participate in a central pension scheme operated by the local municipal government. The Group is required to contribute 12% to 22% percentage of its payroll costs to the central pension scheme. The contributions are charged to the consolidated statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

2.4 Summary of significant accounting policies (continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

Foreign currencies

These consolidated financial statements are presented in Renminbi ("RMB"), which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries, joint ventures and associates are currencies other than the Renminbi. As at the end of the reporting period, the assets and liabilities of these entities are translated into Renminbi at the exchange rates prevailing at the end of the reporting period and their consolidated statements of profit or loss are translated into Renminbi at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the translation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the consolidated statement of profit or loss.

2.4 Summary of significant accounting policies (continued)

Foreign currencies (continued)

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Renminbi at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Renminbi at the weighted average exchange rates for the year.

3 Significant accounting judgements and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Estimation uncertainty

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

Provision for impairment of properties under development and completed properties held for sale

Properties under development for sale and completed properties held for sale are stated at the lower of cost and net realisable value. The cost of each unit in each phase of development is determined using the weighted average method. The estimated net realisable value is the estimated selling price less cost to make the sale and the estimated cost of completion (if any), which are estimated based on past experience and prevailing market conditions as well as all available information. As at 31 December 2022, a provision for completed properties held for sale was amounted to RMB1,730,748,000 (2021: RMB1,281,369,000) (note 23), and a provision for properties under development was amounted to RMB2,642,664,000 (2021: RMB1,043,655,000) (note 22).

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. As at 31 December 2022, accumulated impairment for goodwill was amounted to RMB1,156,802,000 (2021: RMB753,687,000) (note 17).

Estimation of fair value of investment properties

Investment properties were revalued at each reporting date based on the appraised market value provided by independent professional valuers. Such valuations were based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. In making the estimation, the Group considers information from current prices in an active market for similar properties and uses assumptions that are mainly based on market conditions existing at each reporting date.

3 Significant accounting judgements and estimates (continued)

Estimation uncertainty (continued)

Mainland China corporate income tax ("CIT") and Mainland China land appreciation tax ("LAT")

The Group is subject to CIT in Mainland China. As a result of the fact that certain matters relating to income taxes have not been confirmed by the local tax bureau, objective estimates and judgement based on currently enacted tax laws, regulations and other related policies are required in determining the provision for income taxes. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will impact on the income tax and tax provisions in the period in which the differences realise.

The Group is subject to LAT in Mainland China which is levied at progressive rate ranging from 30% to 60% on the appreciation of land value. The provision for LAT is based on management's best estimates according to its understanding of the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon the completion of the property development projects. The Group has not finalised its LAT calculation and payments with the tax authorities for certain property development projects. The final outcome could be different from the amounts that were initially recorded, and any differences will have impact on the land appreciation tax expense and the related provision in the period in which the differences realise.

The carrying amount of current income tax liabilities, including provision for CIT and LAT, at 31 December 2022 was RMB20,803,206,000 (2021: RMB19,099,618,000).

Deferred income tax assets

Deferred income tax assets are recognised for tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying amount of deferred tax assets at 31 December 2022 was RMB3,765,838,000 (2021: RMB2,165,196,000).

Expected credit losses on contract assets and trade and other receivables

The management assesses on a forward looking basis the expected credit losses associated with its contract assets and trade and other receivables. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The allowances are applied to these contract assets and receivables where the expectation is different from the original estimate, such difference will impact the carrying amount of contract assets and trade and other receivables and impairment charge in the periods during which such estimate has been changed.

As at 31 December 2022, the provision for impairment of contract assets and trade receivables and for other receivables were amounted to RMB1,491,791,000 (2021: RMB744,282,000) and RMB1,508,231,000 (2021: RMB712,925,000), respectively.

4 Operating segment information

The executive directors of the Company, which are the chief operating decision-makers of the Group, review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on reports reviewed by the executive directors of the Company that are used to make strategy decision.

The Group is organised into three business segments: property development, property management, and others. The associates and joint ventures of the Group are principally engaged in property development and property management and are included in the property development and property management segment respectively.

- (a) Property development segment mainly comprises the business units involved in development and sales of properties, provision of property construction services and provision of ecological landscaping services and intelligent home and decoration services.
- (b) Property management segment mainly comprises the business units involved in property management business and city sanitation and cleaning services operated by A-Living Smart City Services Co., Ltd..
- (c) Others mainly comprise the business units involved in environmental protection service and commercial management services, each of whom is less than 10% of the Group's consolidated (loss)/profit before income tax and revenue, separate segment information is not considered necessary.

As the executive directors of the Company consider most of the Group's consolidated revenue and results are attributable from the market in the Mainland China, and most of the non-current assets are located in the Mainland China, entity-wide geographical information for revenue and non-current assets are not considered necessary.

The executive directors of the Company assess the performance of the operating segments based on a measure of segment results, being (loss)/profit before income tax before deducting finance costs.

Inter-segment transfers or transactions are entered into at terms and conditions agreed upon by respective parties. Eliminations comprise inter-segment trade and non-trade balances. Pricing policy for inter-segment transactions is determined by reference to market price.

Segment assets consist primarily of property, plant and equipment, right-of-use assets, other intangible assets, properties under development, completed properties held for sale, investment properties, prepayment for acquisition of land use rights, receivables, contract assets and cash and bank balances. Unallocated assets comprise deferred income tax assets, prepaid income taxes, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss. Segment liabilities comprise operating liabilities. Unallocated liabilities comprise taxation, borrowings and financial liabilities at fair value through profit or loss.

Capital expenditure comprises additions to property, plant and equipment, right-of-use assets, investment properties and other intangible assets including assets from acquisition of subsidiaries during the year.

4 Operating segment information (continued)

Segment information provided to the executive directors of the Company for the reporting segments for the years ended 31 December 2022 and 2021 are as follows:

Year ended 31 December 2022

	Property development RMB'000	Property management RMB'000	Others RMB'000	Group RMB'000
Gross segment sales	37,426,389	15,378,575	2,925,101	55,730,065
Inter-segment sales	-	(1,695,738)	-	(1,695,738)
Sales to external customers	37,426,389	13,682,837	2,925,101	54,034,327
Fair value gains on investment properties (note 15)	-	-	28,357	28,357
Operating (losses)/profits	(7,414,124)	1,372,508	(471,024)	(6,512,640)
Share of profits and losses of investments accounted for using the equity method (note 19)	(801,605)	56,393	(12,240)	(757,452)
Segment result	(8,215,729)	1,428,901	(483,264)	(7,270,092)
Finance costs, net (note 7)				(3,101,837)
Loss before income tax				(10,371,929)
Income tax expenses (note 10)				(3,001,356)
Loss for the year				(13,373,285)
Depreciation and amortisation	420,650	332,805	552,263	1,305,718
Write-down of completed properties held for sale and properties under development	3,788,621	-	-	3,788,621
Net impairment losses on financial and contract assets	1,010,252	465,623	211,535	1,687,410
Impairment of goodwill	61,139	-	341,976	403,115
Impairment of property, plant and equipment	284,933	-	-	284,933
Impairment losses on investments accounted for using the equity method	1,401,226	-	-	1,401,226

4 Operating segment information (continued)

Year ended 31 December 2021

	Property development RMB'000	Property management RMB'000	Others RMB'000	Group RMB'000
Gross segment sales	58,402,353	14,080,089	3,295,469	75,777,911
Inter-segment sales	-	(2,750,148)	-	(2,750,148)
Sales to external customers	58,402,353	11,329,941	3,295,469	73,027,763
Fair value gains on investment properties (note 15)	-	-	230,261	230,261
Operating profits	14,903,818	1,963,814	649,395	17,517,027
Share of profits and losses of investments accounted for using the equity method (note 19)	769,939	31,534	(7,234)	794,239
Segment result	15,673,757	1,995,348	642,161	18,311,266
Finance costs, net (note 7)				(1,414,437)
Profit before income tax				16,896,829
Income tax expenses (note 10)				(7,798,792)
Profit for the year				9,098,037
Depreciation and amortisation	555,120	282,998	467,275	1,305,393
Write-down of completed properties held for sale and properties under development	742,256	-	-	742,256
Net impairment losses on financial and contract assets	310,387	160,181	29,677	500,245
Impairment of goodwill	-	-	29,885	29,885
Impairment losses on investments accounted for using the equity method	313,733	-	-	313,733

4 Operating segment information (continued)

Segment assets and liabilities and capital expenditure as at 31 December 2022 are as follow:

	Property development RMB'000	Property management RMB'000	Others RMB'000	Elimination RMB'000	Group RMB'000
Segment assets	216,105,540	20,809,461	29,421,192	(3,947,613)	262,388,580
Unallocated assets					10,993,635
Total assets					273,382,215
Segment assets include:					
Investments accounted for using the equity method (note 19)	27,405,840	1,169,571	198,786	-	28,774,197
Segment liabilities	95,387,748	9,704,211	11,773,513	(3,947,613)	112,917,859
Unallocated liabilities					84,737,493
Total liabilities					197,655,352
Capital expenditure	318,406	478,667	2,661,882	-	3,458,955

Segment assets and liabilities and capital expenditure as at 31 December 2021 are as follow:

	Property development RMB'000	Property management RMB'000	Others RMB'000	Elimination RMB'000	Group RMB'000
Segment assets	256,131,962	19,241,196	36,665,761	(5,123,562)	306,915,357
Unallocated assets					9,644,382
Total assets					316,559,739
Segment assets include:					
Investments accounted for using the equity method (note 19)	29,982,113	1,111,141	211,026	-	31,304,280
Segment liabilities	100,452,438	6,434,475	17,728,139	(5,123,562)	119,491,490
Unallocated liabilities					107,636,972
Total liabilities					227,128,462
Capital expenditure	535,427	1,068,159	2,295,580	-	3,899,166

4 Operating segment information (continued)

Non-current assets

As at 31 December 2021 and 2022, non-current assets of the Group were mainly located in Mainland China.

Information about a major customer

During the current and prior years, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

5 Revenue, other income and gains, net

An analysis of revenue is as follows:

	2022 RMB'000	2021 RMB'000
<i>Revenue from contracts with customers</i>		
Sales of properties and construction services	37,426,389	58,402,353
Property management services	13,682,837	11,329,941
Others	2,705,447	3,032,026
<i>Revenue from other sources</i>		
Gross rental income from investment property operating leases	219,654	263,443
	54,034,327	73,027,763

5 Revenue, other income and gains, net (continued)

Revenue from contracts with customers

(a) Disaggregated revenue information

Year ended 31 December 2022

	Property development RMB'000	Property management RMB'000	Others RMB'000	Group RMB'000
Types of goods and services				
– Sales of properties and construction services	37,426,389	–	–	37,426,389
– Property management services	–	13,682,837	–	13,682,837
– Others	–	–	2,705,447	2,705,447
	37,426,389	13,682,837	2,705,447	53,814,673
Timing of revenue recognition				
– At a point in time	31,837,710	903,595	827,791	33,569,096
– Over time	5,588,679	12,779,242	1,877,656	20,245,577
	37,426,389	13,682,837	2,705,447	53,814,673

Year ended 31 December 2021

	Property development RMB'000	Property management RMB'000	Others RMB'000	Group RMB'000
Types of goods and services				
– Sales of properties and construction services	58,402,353	–	–	58,402,353
– Property management services	–	11,329,941	–	11,329,941
– Others	–	–	3,032,026	3,032,026
	58,402,353	11,329,941	3,032,026	72,764,320
Timing of revenue recognition				
– At a point in time	49,319,061	328,345	870,892	50,518,298
– Over time	9,083,292	11,001,596	2,161,134	22,246,022
	58,402,353	11,329,941	3,032,026	72,764,320

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:

	2022 RMB'000	2021 RMB'000
Sales of properties	25,867,766	34,065,599
Property management	1,180,991	668,010
	27,048,757	34,733,609

5 Revenue, other income and gains, net (continued)

Revenue from contracts with customers (continued)

(b) Performance obligations

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

Sales of properties

For property sales contracts, revenue is recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time.

Property construction services

For construction contracts, revenue is recognised over time, the performance obligation is satisfied for the performance of construction contracts creates or enhances an asset that the customer controls as the asset is created or enhanced.

Property management services, value-added services, city sanitation and cleaning services

The performance obligation is satisfied when services are rendered. For property management services and city sanitation and cleaning services, the Group bills a fixed amount for services provided on a monthly basis and recognises as revenue in the amount to which the Group has a right to invoice and that corresponds directly with the value of performance completed. For value-added services related to property management, revenue is recognised when the services are rendered, payment of the transaction is due immediately when the services are rendered to the customer.

Environmental protection, ecological landscaping services and project management service

The performance obligation is satisfied over time when services are rendered.

The amount of unsatisfied performance obligation is approximately the same as the balance of contract liabilities as of 31 December 2022 and 2021.

5 Revenue, other income and gains, net (continued)

An analysis of other income and gains, net is as follows:

	2022 RMB'000	2021 RMB'000
Other income		
Interest income	392,731	818,833
Interest income from related parties	103,848	361,944
Government grants	203,309	242,538
Penalty income	15,078	69,352
Miscellaneous	17,357	49,033
	732,323	1,541,700
Other gains, net		
Gains from disposal of subsidiaries (note 40)	853,958	4,261,335
Gains/(losses) from disposal of joint ventures and associates (note 19(c))	1,119,909	(66,266)
(Losses)/gains on disposal of right-of-use assets, investment properties, property, plant and equipment and other intangible assets	(622,749)	701,272
Fair value gains on investment properties (note 15)	28,357	230,261
Net fair value losses on financial assets/liabilities at fair value through profit or loss (notes 21 and 31)	-	(1,980)
Fair value (losses)/gains on put options written on non-controlling interests (note 31)	(31,086)	2,330
Remeasurement (loss)/gains resulting from joint ventures transferred to subsidiaries (note 19)	(5,094)	4,222
Gain from bargain purchase of subsidiaries (note 39)	6,790	-
Exchange gains, net (note (a))	62,142	11,280
Gains on redemption of senior notes	119,734	-
Miscellaneous	5,503	11,656
	1,537,464	5,154,110
	2,269,787	6,695,810

(a) Amounts do not include the exchange gain or loss related to borrowings which are included in the "finance costs, net" (note 7).

6 (Loss)/profit before income tax

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

	Note	2022 RMB'000	2021 RMB'000
Auditors' remuneration			
– Audit services		12,760	23,780
– Non-audit services		1,200	3,800
		13,960	27,580
Cost of properties sold		34,799,215	40,772,304
Cost of inventories consumed		2,451,020	2,337,356
Depreciation of property, plant and equipment	14	703,823	606,339
Depreciation of right-of-use assets	16	268,987	333,779
Amortisation of intangible assets	18	332,908	365,275
Employees' benefits costs (including directors' emoluments)			
– Wages and salaries		6,577,874	7,365,359
– Share-based payments		132,990	–
– Pension scheme contributions***		556,378	547,600
– Bonuses		75,339	273,365
– Others		638,672	675,216
		7,981,253	8,861,540
Net fair value losses on financial assets/liabilities at FVPL****	21, 31	916,218	1,980
Write-down of completed properties held for sale and properties under development**	22, 23	3,788,621	742,256
Impairment of goodwill*	17	403,115	29,885
Impairment of property, plant and equipment*	14	284,933	–
Impairment of other intangible assets*	18	17,527	–
Net impairment losses on trade receivables and contract assets	25	815,633	244,742
Net impairment losses on other receivables	25	871,777	255,503
Impairment losses on investments accounted for using the equity method		1,401,226	313,733
Write-down of the disposal groups to fair value less costs to sell		151,620	–
Short-term and low-value assets lease expenses	16	98,394	84,069
Charitable donations		9,673	142,887
Consulting fee		583,269	254,276

* They are included in "Administrative expenses" in the consolidated statement of profit or loss.

** Write-down of completed properties held for sale and properties under development was related to a decrease in estimated market price of properties and is included in "Cost of sales" in the consolidated statement of profit or loss.

*** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

**** It is included in "other income and gains, net/other expenses" in the consolidated statement of profit or loss.

7 Finance costs, net

An analysis of finance costs is as follows:

	2022 RMB'000	2021 RMB'000
Interest expense:		
– Bank borrowings, syndicated loans and other borrowings	2,814,205	5,078,521
– Senior notes and exchangeable bonds	1,111,909	1,094,054
– PRC Corporate Bonds, Panyu ABS and CMBS (as defined in note 32)	538,339	663,026
– Lease liabilities	25,704	35,673
Exchange losses/(gains) from borrowings	2,676,011	(1,043,616)
	7,166,168	5,827,658
Less: interest and exchange losses capitalised	(4,097,155)	(4,569,301)
Changes in fair value of derivative financial instruments (note 31)	32,824	156,080
	3,101,837	1,414,437

8 Directors' and chief executive officer's remuneration

Directors' and chief executive officer's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2022 RMB'000	2021 RMB'000
Fees	10,519	12,202
Other emoluments		
– Salaries	2,705	9,476
– Bonus	–	–
– Housing allowance and contribution to a retirement benefit scheme	67	256
	13,291	21,934

8 Directors' and chief executive officer's remuneration (continued)

The remuneration of each director for the year ended 31 December 2022 is set out below:

Name of director	Fees RMB'000	Salaries RMB'000	Bonus RMB'000	Housing allowance and contribution to a retirement benefit scheme RMB'000	Total RMB'000
Executive directors					
Mr. Chen Zhuo Lin	3,973	-	-	16	3,989
Mr. Chan Cheuk Hung	2,835	-	-	5	2,840
Mr. Huang Fengchao	371	2,705	-	46	3,122
Non-executive directors					
Mr. Chan Cheuk Yin	371	-	-	-	371
Madam. Luk Sin Fong, Fion	371	-	-	-	371
Mr. Chan Cheuk Hei	371	-	-	-	371
Mr. Chan Cheuk Nam	371	-	-	-	371
Independent non-executive directors					
Dr. Cheng Hon Kwan	464	-	-	-	464
Mr. Kwong Che Keung, Gordon	464	-	-	-	464
Mr. Hui Chiu Chung, Stephen	464	-	-	-	464
Mr. Wong Shiu Hoi, Peter	464	-	-	-	464
	10,519	2,705	-	67	13,291

8 Directors' and chief executive officer's remuneration (continued)

The remuneration of each director for the year ended 31 December 2021 is set out below:

Name of director	Fees RMB'000	Salaries RMB'000	Bonus RMB'000	Housing allowance and contribution to a retirement benefit scheme RMB'000	Total RMB'000
Executive directors					
Mr. Chen Zhuo Lin	4,624	-	-	15	4,639
Mr. Chan Cheuk Hung	3,298	-	-	15	3,313
Mr. Huang Fengchao	428	5,223	-	140	5,791
Mr. Chen Zhongqi (resigned on 31 December 2021)	428	4,253	-	86	4,767
Non-executive directors					
Mr. Chan Cheuk Yin	428	-	-	-	428
Madam. Luk Sin Fong, Fion	428	-	-	-	428
Mr. Chan Cheuk Hei	428	-	-	-	428
Mr. Chan Cheuk Nam	428	-	-	-	428
Independent non-executive directors					
Dr. Cheng Hon Kwan	428	-	-	-	428
Mr. Kwong Che Keung, Gordon	428	-	-	-	428
Mr. Hui Chiu Chung, Stephen	428	-	-	-	428
Mr. Wong Shiu Hoi, Peter	428	-	-	-	428
	12,202	9,476	-	256	21,934

During the years ended 31 December 2022 and 2021, no emolument was paid by the Group to any of the directors as an inducement to join or upon joining the Group or as compensation for loss of offices.

No other emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the company or its subsidiary undertaking during the year ended 31 December 2022 (2021: nil).

During the years ended 31 December 2022 and 2021, there were no additional retirement benefit received by the directors except for the attribution to a retirement benefit scheme as disclosed above.

During the years ended 31 December 2022 and 2021, there was no termination benefits received by the directors.

During the years ended 31 December 2022 and 2021, no consideration was paid for making available the services of the directors of the Company.

During the years ended 31 December 2022 and 2021, there was no loans, quasi-loans and other dealings entered into by the Company or subsidiaries undertaking of the Company, where applicable, in favour of directors of the Company.

Save for the transactions disclosed in note 45(b)(i), no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

9 Five highest paid employees

The five highest paid employees during the year included no director (2021: three directors), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the five (2021: two) highest paid employees who are neither a director nor chief executive officer of the Company are as follows:

	2022 RMB'000	2021 RMB'000
Salaries	8,568	6,900
Share-based payments	44,487	–
Bonuses	–	2,289
Contribution to pension scheme	120	16
	53,175	9,205

The number of non-director and non-chief executive officer highest paid employees whose remuneration fell within the following bands is as follows:

	Number of individuals	
	2022	2021
HK\$4,500,001 – HK\$5,000,000	–	1
HK\$6,500,001 – HK\$7,000,000	–	1
HK\$7,500,001 – HK\$8,000,000	1	–
HK\$9,000,001 – HK\$9,500,000	1	–
HK\$12,000,001 – HK\$12,500,000	1	–
HK\$15,000,001 – HK\$15,500,000	1	–
HK\$17,000,001 – HK\$17,500,000	1	–

During the years ended 31 December 2022 and 2021, no emolument was paid by the Group to any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of offices.

10 Income tax expenses

No provision for Hong Kong profits tax has been made for the years ended 31 December 2022 and 2021 as the Group did not generate any assessable profits arising in Hong Kong during the years.

Mainland China corporate income tax has been provided at the rate of 25% for the year ended 31 December 2022 (2021: 25%). Dividend distribution made by Mainland China subsidiaries, joint ventures and associates to shareholders outside of Mainland China in respect of their profits earned after 1 January 2008 is subject to withholding income tax at tax rates of 5% or 10%, where applicable.

Certain subsidiaries of the Group obtained the Certificate of High-New Technical Enterprise. According to the Corporate Income Tax Law of the PRC (the "CIT Law"), corporations which obtain the Certificate of High-New Technical Enterprise are entitled to enjoy additional tax deduction for research and development costs and a preferential corporate income tax rate of 15%. The tax rate applicable to these companies during the year ended 31 December 2022 was 15% (2021: 15%).

Certain subsidiaries of the Group have enjoyed a preferential policy in Zhuhai Hengqin (Free Trade Area) with an enterprise income tax rate of 15% during the year ended 31 December 2022 (2021: 15%). Certain subsidiaries of the Group in the PRC are located in western cities, and they are subject to a preferential income tax rate of 15% (2021: 15%).

10 Income tax expenses (continued)

Certain subsidiaries of the Group in the PRC provide environmental protection services and these companies enjoy the policy of “three exemption and three half corporate income tax”. Such subsidiaries are not subject to CIT for the first three years since the year when the relevant subsidiaries generating revenue, and the relevant subsidiaries are subject to a preferential income tax rate of 12.5% for the next three years.

Certain subsidiaries of the Group in the PRC are located in Hainan Free Trade Port and subject to a preferential income tax rate of 15% in certain years (2021: 15%).

Mainland China land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including costs of land and development and construction expenditures.

	2022 RMB'000	2021 RMB'000
Current income tax:		
Corporate income tax	2,879,352	4,199,882
Mainland China land appreciation tax	1,978,834	4,166,312
	4,858,186	8,366,194
Deferred income tax (note 33)	(1,856,830)	(567,402)
Income tax expenses	3,001,356	7,798,792

A reconciliation of the tax expense applicable to (loss)/profit before income tax at the statutory rates for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, is as follows:

	2022 RMB'000	2021 RMB'000
(Loss)/profit before income tax	(10,371,929)	16,896,829
Less: share of profits and losses of investments accounted for using the equity method	757,452	(794,239)
	(9,614,477)	16,102,590
Tax calculated at domestic tax rates applicable to profits in the respective regions	(3,312,671)	3,658,812
Tax effect of super deduction items	(25,210)	(35,309)
Change in the tax rate of a subsidiary of the Group	-	(55,994)
Tax losses for which no deferred income tax asset was recognised	4,376,989	482,851
Income not subject to tax	(7,224)	(22,051)
Expenses not deductible for tax	279,008	230,587
Withholding tax on dividend income from Mainland China	206,339	415,162
LAT provided	1,978,834	4,166,312
Tax effect of LAT	(494,709)	(1,041,578)
Income tax charged for the year	3,001,356	7,798,792

11 Assets and liabilities of disposal groups classified as held for sale

During the year ended 31 December 2022, the Company decided to sell several ecological landscaping companies, investment properties, property, plant and equipment and right-of-use assets. During the year ended 31 December 2021, the Company decided to sell several environmental protection projects and hotel buildings. There are several interested parties and the sales are expected to be completed within one year. The following assets and liabilities were reclassified as held for sale in relation to these disposal groups as at 31 December 2022 and 2021:

	2022 RMB'000	2021 RMB'000
Assets of disposal groups classified as held for sale		
Other intangible assets	19,267	1,564,920
Goodwill	–	149,813
Property, plant and equipment (note 14)	138,443	530,847
Investment properties (note 15)	380,734	–
Investments accounted for using the equity method (note 19)	10,228	–
Properties under development	38,168	–
Right-of-use assets (note 16(a))	6,308	116,476
Contract assets	705,897	–
Trade and other receivables	614,199	469,161
Cash and cash equivalents	71,616	40,988
Restricted cash	3,557	7,491
Deferred income tax assets	19,646	5,632
Others	84,188	10,014
Total assets of disposal groups classified as held for sale	2,092,251	2,895,342
Liabilities directly associated with assets classified as held for sale		
Borrowings	(124,029)	(636,124)
Trade and other payables	(815,844)	(823,814)
Deferred income tax liabilities	(6,813)	(42,205)
Contract liabilities	(110,983)	–
Others	–	(12,357)
Total liabilities of disposal groups classified as held for sale	(1,057,669)	(1,514,500)

As at 31 December 2022 and 2021, the directors of the Company are of the opinion that the loss allowance of contract asset and trade and other receivables was assessed to be minimal.

Assets of disposal group classified as held for sale were measured at the lower of its carrying amount and fair value less costs to sell at the time of and/or subsequent to the reclassification.

11 Assets and liabilities of disposal groups classified as held for sale (continued)

31 December 2022

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Net assets classified as held for sale (excluding Investment properties)	Market approach	Transaction price	RMB819,004,000	The higher transaction price, the higher fair value
Investment properties classified as held for sale	Market approach	Transaction price	RMB380,734,000	The higher transaction price, the higher fair value

31 December 2021

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Net assets classified as held for sale	Market approach	Transaction price	RMB2,413,590,000	The higher transaction price, the higher fair value

12 Dividends

	2022 RMB'000	2021 RMB'000
Interim dividend paid of nil (2021: HK\$0.50) per ordinary share (note a)	-	1,619,328
Less: Dividend for shares held for Share Award Scheme	-	(14,139)
	-	1,605,189
Proposed final dividend of nil (2021: nil) per ordinary share (note b)	-	-
Less: Dividend for shares held for Share Award Scheme	-	-
	-	-
	-	1,605,189

Notes:

- (a) The board of directors of the Company (the "Board") did not propose any interim dividend for the six months ended 30 June 2022. An interim dividend in respect of the six months ended 30 June 2021 of HK\$0.5 per ordinary share totalling approximately HK\$1,958,524,000 (equivalent to RMB1,619,328,000) was declared by the Board on 18 August 2021.
- (b) The Board did not propose any final dividend for the years ended 31 December 2022 and 2021.
- (c) A final dividend in respect of 2020 of HK\$2,350,229,000 (equivalent to RMB1,972,664,000) (HK\$0.60 per ordinary share) was declared at the Annual General Meeting on 12 May 2021, of which HK\$20,682,000 (equivalent to RMB17,359,000) was declared for shares held by Share Award Scheme. The final dividend has been distributed out of the Company's retained earnings.

13 (Loss)/earnings per share

The calculation of the basic and diluted (loss)/earnings per share amounts is based on the (loss)/profit for the year attributable to shareholders of the Company, and the weighted average number of ordinary shares of 3,914,834,000 (2021: 3,882,578,000) in issue during the year less shares held for Share Award Scheme.

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

	2022	2021
(Loss)/profit attributable to shareholders of the Company (RMB'000)	(14,981,154)	6,712,036
Weighted average number of ordinary shares in issue less shares held for Share Award Scheme ('000)	3,914,834	3,882,578
Basic and diluted (loss)/earnings per share (RMB per share)	(3.827)	1.729

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2022 and 2021.

14 Property, plant and equipment

	Buildings RMB'000	Office equipment RMB'000	Transportation equipment RMB'000	Machinery RMB'000	Construction in progress RMB'000	Total RMB'000
Year ended 31 December 2022						
At 1 January 2022	6,082,809	28,051	147,483	1,666,644	4,749,783	12,674,770
Additions	1,104,817	134,265	68,612	146,317	1,503,763	2,957,774
Revaluation surplus upon transfer (note b)	19,944	-	-	-	-	19,944
Acquisition of subsidiaries (note 39)	3,400	-	-	-	-	3,400
Transfer from completed construction projects	1,069,451	-	-	467,711	(1,537,162)	-
Transfer to investment properties (note 15)	(70,000)	-	-	-	-	(70,000)
Disposals	(267,411)	(4,204)	(4,740)	(5,863)	(33,825)	(316,043)
Disposal of subsidiaries (note 40)	-	(1,995)	(1,494)	(60,316)	(251,251)	(315,056)
Depreciation	(393,023)	(43,382)	(39,911)	(227,507)	-	(703,823)
Impairment charge	(259,091)	-	-	-	(25,842)	(284,933)
Transfer to assets of disposal groups classified as held for sale (note 11)	(117,151)	(1,463)	(2,598)	(555)	(16,676)	(138,443)
At 31 December 2022	7,173,745	111,272	167,352	1,986,431	4,388,790	13,827,590
At 31 December 2022						
Cost	9,428,864	407,322	346,457	2,545,874	4,414,632	17,143,149
Accumulated depreciation	(1,996,028)	(296,050)	(179,105)	(559,443)	-	(3,030,626)
Accumulated impairment loss	(259,091)	-	-	-	(25,842)	(284,933)
Net carrying amount	7,173,745	111,272	167,352	1,986,431	4,388,790	13,827,590
Year ended 31 December 2021						
At 1 January 2021						
Cost	7,784,861	256,218	316,479	1,457,406	4,712,964	14,527,928
Accumulated depreciation	(1,755,948)	(162,895)	(196,076)	(299,435)	-	(2,414,354)
Accumulated impairment loss	-	-	-	-	(32,727)	(32,727)
Net carrying amount	6,028,913	93,323	120,403	1,157,971	4,680,237	12,080,847
At 1 January 2021	6,028,913	93,323	120,403	1,157,971	4,680,237	12,080,847
Additions	92,626	28,970	63,510	88,843	1,687,740	1,961,689
Revaluation surplus upon transfer (note b)	66,118	-	-	-	-	66,118
Acquisition of subsidiaries (note 39)	80,768	7,477	27,266	207,337	-	322,848
Transfer from completed construction projects	537,081	-	-	463,086	(1,000,167)	-
Transfer to investment properties (note 15)	(140,000)	-	-	-	-	(140,000)
Transfer to other intangible assets (note 18)	-	-	-	-	(243,926)	(243,926)
Disposals	(84,737)	(31,655)	(8,433)	(8,665)	(102,130)	(235,620)
Depreciation	(347,291)	(67,189)	(52,937)	(138,922)	-	(606,339)
Transfer to assets of disposal groups classified as held for sale (note 11)	(150,669)	(2,875)	(2,326)	(103,006)	(271,971)	(530,847)
At 31 December 2021	6,082,809	28,051	147,483	1,666,644	4,749,783	12,674,770
At 31 December 2021						
Cost	8,102,824	223,055	385,504	2,093,196	4,782,510	15,587,089
Accumulated depreciation	(2,020,015)	(195,004)	(238,021)	(426,552)	-	(2,879,592)
Accumulated impairment loss	-	-	-	-	(32,727)	(32,727)
Net carrying amount	6,082,809	28,051	147,483	1,666,644	4,749,783	12,674,770

14 Property, plant and equipment (continued)

- (a) As at 31 December 2022, buildings with net carrying value of RMB3,041,769,000 (2021: RMB3,835,189,000) were pledged as collateral for the Group's borrowings.
- (b) During the year ended 31 December 2022, an office building of RMB70,000,000 was transferred to investment property on the inception of an operating lease. A revaluation surplus of RMB19,944,000 on the date transferred has arisen, among which the corresponding revaluation surplus net of tax of RMB14,958,000 were recorded in other comprehensive income and deferred income tax liabilities of RMB4,986,000 were recorded in the consolidated statement of financial position, respectively.
- During the year ended 31 December 2021, an office building of RMB140,000,000 was transferred to investment property on the inception of an operating lease. A revaluation surplus of RMB66,118,000 on the date transferred has arisen, among which the corresponding revaluation surplus net of tax of RMB49,589,000 were recorded in other comprehensive income and deferred income tax liabilities of RMB16,529,000 were recorded in the consolidated statement of financial position, respectively.
- (c) Buildings mainly represent the office buildings and hotel buildings. Constructions in progress mainly represent construction costs and other costs incurred for the construction of environmental factories and machinery.

15 Investment properties

	2022 RMB'000	2021 RMB'000
Carrying amount at 1 January	11,514,964	10,849,449
Acquisition of subsidiaries (note 39)	–	110,337
Additions	148,011	11,084
Transfer from completed properties held for sale	–	274,628
Transfer from property, plant and equipment (note 14)	70,000	140,000
Transfer to assets of disposal groups classified as held for sale (note 11)	(380,734)	–
Revaluation gains recognised in profit or loss (note 5)	28,357	230,261
Disposals	(2,013,055)	(100,795)
Carrying amount at 31 December	9,367,543	11,514,964

The Group's investment properties consist of completed office buildings, hotels, retail shops and car parks located in Mainland China and are held on lease of between 40 to 70 years. The Group's investment properties were valued at 31 December 2022 by independent professionally qualified valuers, including Vigers Appraisal & Consulting Limited, Colliers International Limited, Jones Lang LaSalle Incorporated and Worldunion Appraisal Co., Ltd., who hold recognised relevant professional qualifications and have recent experiences in the locations and segments of the investment properties to be valued. For all investment properties, their current use equates to the highest and best use.

As at 31 December 2022 and 2021, all of the Groups investment properties were measured within level 3 of the fair value hierarchy as the valuation were arrived at by reference to certain significant unobservable inputs. There was no transfer between level 1, 2 and 3 during the year (2021: nil).

Fair values of office buildings, hotels, retail shops and car parks are generally derived using the income capitalisation method or the direct comparison approach.

15 Investment properties (continued)

The adoption of the income capitalisation method is based on the capitalisation of the net income and reversionary income potential by adopting appropriate capitalisation rates, which are derived from analysis of sale transactions and valuers' interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation have reference to valuers' view of recent lettings, within the subject properties and other comparable properties.

The adoption of the direct comparison approach assumes the sale of each of these properties in its existing state with the benefit of vacant possession. By making reference to sales transactions as available in the relevant market, comparable properties in close proximity have been selected and adjustments have been made to account for the difference in factors such as location and property size.

The Group's finance department includes a team that reviews the valuations performed by the independent valuers for financial reporting purposes. This team reports directly to the executive directors. Discussion of valuation processes and results are held amongst the executive directors, the internal valuation team and the independent valuers at least once every six months, in line with the Group's interim and annual reporting dates.

At each financial year end, the finance department:

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

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

Most of the investment properties are leased to third parties under operating leases, further summary details of which are included in note 16 to the financial statements.

As at 31 December 2022, investment properties of RMB5,756,000,000 (2021: RMB5,547,457,000) and certain rights of receiving rental income were pledged as collateral for the Group's bank borrowings.

During the year ended 31 December 2021, certain retail shops were transferred from the completed properties held for sale to investment properties.

During the years ended 31 December 2022 and 2021, certain floor areas of office buildings were transferred from property, plant and equipment to investment properties as the Group started to lease out such areas.

15 Investment properties (continued)

Below is a summary of the valuation techniques of level 3 valuation used and the key inputs to the valuation of investment properties:

Description	Location	Fair value as at 31 December 2022 RMB'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs
Office, hotel and retail shop	PRC	8,730,957	Income capitalisation	Term yields Reversionary yields Market rents (RMB/square meter/month)	3.5%-4.0% 4.0%-4.5% 36-843
Office and car park	PRC	636,586	Direct comparison method	Market price (RMB/square meter)	2,526-54,000

Description	Location	Fair value as at 31 December 2021 RMB'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs
Office, hotel and retail shop	PRC	10,083,561	Income capitalisation	Term yields Reversionary yields Market rents (RMB/square meter/month)	3.5%-6.0% 4.0%-7.0% 22-835
Hotel and retail shop	PRC	1,001,697	Direct comparison method	Market price (RMB/square meter)	7,163-10,985
Office and car park	PRC	429,706	Direct comparison method	Market price (RMB/square meter)	2,526-56,000

There are inter-relationships between unobservable inputs.

For office buildings, hotels and retail shops, increase/(decrease) in term yields and reversionary yields may result in decrease/(increase) of fair value. Increase/(decrease) in market rent may result in increase/(decrease) of fair value.

For office buildings, hotels, retail shops and car parks, increase/(decrease) in market price may result in increase/(decrease) in fair value.

During the year ended 31 December 2022, valuation techniques of investment properties remained unchanged.

15 Investment properties (continued)

The amounts recognised in profit or loss for investment properties are as follows:

	2022 RMB'000	2021 RMB'000
Rental income	219,654	263,443
Direct operating expenses that related to rental income	(124,013)	(128,542)
Direct operating expenses of investment properties that did not generate rental income	(26,890)	(26,313)
	68,751	108,588

16 Leases

The Group as a lessee

The Group has lease contracts for various items of land use rights and property, plant and equipment. Land use rights represent land lease arrangements with Mainland China government which are held for self-use. Rental contracts are typically made for fixed periods of 1 year to 70 years.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes except for those with land use right certification. At 31 December 2022, certain land use rights with a net carrying amount of approximately RMB1,682,455,000 (2021: RMB2,374,004,000) were pledged to secure the Group's borrowings.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Land use rights RMB'000	Property, plant and equipment RMB'000	Total RMB'000
At 1 January 2022	2,593,203	676,849	3,270,052
Additions	22,969	85,369	108,338
Early termination	(171,923)	(53,373)	(225,296)
Transfer to assets of disposal groups classified as held for sale (note 11)	(6,308)	-	(6,308)
Disposal of subsidiaries	(19,295)	-	(19,295)
Depreciation*	(70,746)	(208,076)	(278,822)
At 31 December 2022	2,347,900	500,769**	2,848,669
At 1 January 2021	2,640,079	736,225	3,376,304
Additions	151,388	227,657	379,045
Early termination	-	(25,045)	(25,045)
Transfer to assets of disposal groups classified as held for sale (note 11)	(116,476)	-	(116,476)
Depreciation*	(81,788)	(261,988)	(343,776)
At 31 December 2021	2,593,203	676,849**	3,270,052

* Included in depreciation of land use right, RMB9,835,000 (2021: RMB9,997,000) is capitalized to construction in progress.

** As at 31 December 2022 included in property, plant and equipment are buildings amounted to RMB172,035,000 (2021: RMB292,244,000) and equipment and others amounted to RMB328,734,000 (2021: RMB384,605,000).

16 Leases (continued)

The Group as a lessee (continued)

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2022 RMB'000	2021 RMB'000
Carrying amount at 1 January	564,476	636,938
New leases	85,369	238,140
Early termination	(105,912)	(25,045)
Accretion of interest recognised during the year	25,704	35,673
Payments	(237,139)	(321,230)
Carrying amount at 31 December	332,498	564,476
Analyses into:		
Current portion	195,862	302,383
Non-current portion	136,636	262,093

The maturity analysis of lease liabilities is disclosed in note 48(d) to the financial statements.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2022 RMB'000	2021 RMB'000
Interest on lease liabilities	25,704	35,673
Depreciation charge of right-of-use assets (note 6)	268,987	333,779
Expense relating to short-term leases and leases of low-value assets (included in cost of goods sold, selling and marketing costs and administrative expenses) (note 6)	98,394	84,069
Total amount recognised in profit or loss	393,085	453,521

(d) The total cash outflow for leases is disclosed in note 41(iii) to the financial statements.

16 Leases (continued)

The Group as a lessor

The Group leases its investment properties (note 15) including office units, hotels, shopping malls and car parks in the Mainland China under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was RMB219,654,000 (2021: RMB263,443,000).

At 31 December 2022, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	2022 RMB'000	2021 RMB'000
Within one year	142,440	146,096
After one year but within two years	121,223	204,592
After two years but within three years	25,759	43,474
After three years but within four years	25,585	43,180
After four years but within five years	25,585	43,180
After five years	46,996	155,828
	387,588	636,350

17 Goodwill

	RMB'000
At 1 January 2021:	
Cost	4,988,416
Accumulated impairment	(723,802)
Net carrying amount	4,264,614
Cost at 1 January 2021, net of accumulated impairment	4,264,614
Acquisition of subsidiaries (note 39)	1,027,350
Transfer to assets of disposal groups classified as held for sale	(149,813)
Disposal	(86,086)
Impairment during the year	(29,885)
At 31 December 2021	5,026,180
At 31 December 2021:	
Cost	5,779,867
Accumulated impairment	(753,687)
Net carrying amount	5,026,180
Cost at 1 January 2022, net of accumulated impairment	5,026,180
Acquisition of a subsidiary (note 39)	191,670
Transfer to assets of disposal groups classified as held for sale	(108,044)
Disposal (note 40)	(38,219)
Impairment during the year	(403,115)
Cost and net carrying amount at 31 December 2022	4,668,472
At 31 December 2022:	
Cost	5,825,274
Accumulated impairment	(1,156,802)
Net carrying amount	4,668,472

17 Goodwill (continued)

The excess of the consideration and other items transferred over the fair value of the identifiable net assets acquired is recorded as goodwill. Goodwill as at 31 December 2022 and 2021 was related to the following operations or cash generating units ("CGUs"):

	2022 RMB'000	2021 RMB'000
Property management	3,314,902	3,123,231
Environmental protection	1,286,862	1,667,058
Construction	66,708	235,891
	4,668,472	5,026,180

The Group performed an impairment assessment on the goodwill as at 31 December 2022. The recoverable amount of the property management, environmental protection and construction businesses operated by the acquired subsidiaries has been assessed by the independent valuers or the management and determined based on value-in-use ("VIU") calculations. The calculations used cash flow projections based on financial budgets covering a five-year period approved by the management.

The following table sets forth each key assumption on which the management has based its cash flow projections to undertake impairment testing of goodwill as at 31 December 2022 and 2021:

	Property management companies	Environmental protection companies	Construction companies
As at 31 December 2022			
Compound annual growth rate of revenue during the projection period	-2%-32%	-4%-40%	30%
Earnings before interest, tax, depreciation and amortisation ("EBITDA") margin during the projection period	-28%-32%	0%-80%	-5%-14%
Long term growth rate	3%	0%	0%
Pre-tax discount rate	17%-25%	11%-13%	12%
As at 31 December 2021			
Compound annual growth rate of revenue during the projection period	0%-32%	4%-40%	3%-6%
Earnings before interest, tax, depreciation and amortisation ("EBITDA") margin during the projection period	-31%-28%	5%-80%	9%-14%
Long term growth rate	3%	0%	3%
Pre-tax discount rate	16%-22%	10%-14%	17%-20%

17 Goodwill (continued)

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used to determine values
Compound annual growth rate of revenue	Based on past performance and management's expectations of market development. For greenland property services, year-on-year increment in projected revenue is mainly attributable to the estimated incremental gross floor area committed by Greenland Holdings Group Company Limited ("Greenland Holdings") according to the investment cooperation framework agreement. For construction companies, the compound annual growth rate of revenue are estimated based on the historical growth rate of the relevant construction companies.
EBITDA margin	Based on past performance and management's expectations for the future.
Long term growth rate	This is the weighted average growth rate used to extrapolate cash flows beyond the budget period.
Pre-tax discount rate	Reflect specific risks relating to the relevant cash-generating units.

(i) Property management companies

As at 31 December 2022, the recoverable amounts of RMB1,159,251,000 of Shanghai Greenland Property Services Co., Ltd. ("Greenland Property") calculated based on VIU calculation exceeded their carrying value by RMB31,649,000 (2021: RMB89,294,000). The recoverable amounts of RMB2,813,281,000 of CMIG Futurelife Property Management Limited ("CMIG PM") calculated based on VIU calculation exceeded their carrying value by RMB272,046,000 (2021: RMB435,284,000).

Management has undertaken sensitivity analysis on the impairment test of goodwill. The following table sets forth all possible changes to the key assumptions of the impairment test and the changes taken in isolation in the VIU calculations for Greenland Property and CMIG PM that would remove the remaining headroom respectively as at 31 December 2022:

	Possible changes to the key assumptions	
	CMIG PM	Greenland Property
Compound annual growth rate of revenue	-3.06%	-0.94%
EBITDA margin	-0.87%	-0.46%
Average trade receivables turnover days	+16.06 days	+7.64 days
Long term growth rate	-2.95%	-0.72%
Pre-tax discount rate	2.22%	0.57%

The directors of the Company consider there is no reasonably possible change in key parameters would cause the carrying amount of each CGU to exceed its recoverable amount.

By reference to the recoverable amount assessed by the independent valuers or the management as at 31 December 2022, the directors of the Company determined that no impairment provision on goodwill was required as at 31 December 2022 (31 December 2021: nil).

17 Goodwill (continued)

(ii) Environmental protection companies

As at 31 December 2022, the recoverable amount of RMB445,530,000 of certain acquired companies calculated based on VIU calculation was below their carrying value and an impairment loss of RMB341,976,000 was recognised in profit or loss for the year (2021: RMB29,885,000). Accordingly, the accumulated impairment for goodwill related to certain environment protection cash-generating units is amounted to RMB1,095,663,000 as at 31 December 2022 (2021: RMB753,687,000).

For remaining goodwill arising from acquisition of environmental protection companies, the individual amount is not significant and accordingly, the sensitivity analysis for the unimpaired goodwill is not presented.

(iii) Construction companies

As at 31 December 2022, the recoverable amount of RMB117,000,000 of certain acquired construction companies calculated based on fair value less costs of disposal calculation was below their carrying value and an impairment loss of RMB61,139,000 was recognised in profit or loss for the year and accumulated as at 31 December 2022 (31 December 2021: nil).

For remaining goodwill arising from acquisition of construction companies, the individual amount is not significant and accordingly, the sensitivity analysis for the unimpaired goodwill is not presented.

18 Other intangible assets

	Computer software	Trademarks and licences	Operating concessions	Customer relationships and backlogs	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost at 1 January 2022, net of accumulated amortisation	114,231	110,838	1,060,153	1,342,608	2,627,830
Additions	9,037	-	362	-	9,399
Acquisition of subsidiaries (note 39)	-	-	-	232,033	232,033
Amortisation charge	(17,358)	(12,350)	(75,461)	(227,739)	(332,908)
Transfer to assets of disposal groups classified as held for sale	(229)	-	(15,645)	(19,883)	(35,757)
Disposal	(6,815)	-	(1,701)	-	(8,516)
Disposal of subsidiaries (note 40)	(120)	-	(790,424)	-	(790,544)
Impairment charge	(447)	-	-	(17,080)	(17,527)
At 31 December 2022	98,299	98,488	177,284	1,309,939	1,684,010
At 31 December 2022:					
Cost	258,768	159,383	252,989	1,911,480	2,582,620
Less: Accumulated amortisation	(160,022)	(60,895)	(75,705)	(584,461)	(881,083)
Accumulated impairment loss	(447)	-	-	(17,080)	(17,527)
Net carrying amount	98,299	98,488	177,284	1,309,939	1,684,010
Cost at 1 January 2021, net of accumulated amortisation	98,164	89,186	2,389,002	999,998	3,576,350
Additions	46,020	-	113,589	-	159,609
Transfer from construction in progress (note 14)	-	-	243,926	-	243,926
Acquisition of subsidiaries (note 39)	4,333	34,942	19,198	577,518	635,991
Amortisation charge	(33,222)	(13,290)	(140,639)	(178,124)	(365,275)
Transfer to assets of disposal groups classified as held for sale	(147)	-	(1,564,773)	-	(1,564,920)
Disposal	(917)	-	(150)	(56,784)	(57,851)
At 31 December 2021	114,231	110,838	1,060,153	1,342,608	2,627,830
At 31 December 2021:					
Cost	266,325	164,848	1,176,886	1,766,795	3,374,854
Less: Accumulated amortisation	(152,094)	(54,010)	(116,733)	(424,187)	(747,024)
Net carrying amount	114,231	110,838	1,060,153	1,342,608	2,627,830

18 Other intangible assets (continued)

An independent valuation was performed by independent valuers to determine the fair value of the trademarks and licences, customer relationship and backlogs, and operating concessions acquired through business combinations. The methods and key assumptions in determining their fair values as at acquisition dates are disclosed as follows:

	Valuation technique	Discount rate	Expected life of the intangible assets as at 31 December 2022
Customer relationship	Discounted cash flow	12.88%	20 years

	Valuation technique	Discount rate	Expected life of the intangible assets as at 31 December 2021
Trademarks and licences	Discounted cash flow/ relief from royalty	15.4–19.8%	5–20 years
Customer relationship	Discounted cash flow	15.0–19.8%	5–10 years
Backlogs	Discounted cash flow	14.9–15.5%	2–8 years
Operating concessions	Discounted cash flow	11.0–12.0%	3–28 years

19 Investments accounted for using equity method

	2022 RMB'000	2021 RMB'000
Share of net assets	29,371,738	31,618,013
Less: Impairment	(597,541)	(313,733)
	28,774,197	31,304,280

The directors of the Company consider that none of the associates and the joint ventures as at 31 December 2022 and 31 December 2021 were individually material to the Group and thus the individual financial information of the associates and the joint ventures is not disclosed.

The movement of the interests in the associates and the joint ventures during the year is as follows:

	2022 RMB'000	2021 RMB'000
Balance as at 1 January	31,304,280	18,179,155
Additions	1,156,870	10,585,347
Addition through business combination (note 39)	-	662
Transfer from subsidiaries (note (a) and note 40)	320,371	5,416,628
Transfer to subsidiaries (note (b) and note 39)	(22,500)	(501,131)
Remeasurement (losses)/gains on the investments in joint ventures (note (b) and note 5)	(5,094)	4,222
Share of (losses) and profits	(757,452)	794,239
Impairment charge	(1,401,226)	(313,733)
Disposal (note (c))	(1,482,840)	(1,194,512)
Transfer to assets of disposal groups classified as held for sale	(10,228)	-
Exchange gains	337	-
Dividends received	(328,321)	(1,666,597)
Balance as at 31 December	28,774,197	31,304,280

19 Investments accounted for using equity method (continued)

- (a) During the year ended 31 December 2022, the Group disposed of partial equity interests in several subsidiaries to independent third parties at the considerations of RMB725,000,000 (2021: RMB4,990,716,000) in aggregate. Upon the completion of the disposal, the subsidiaries became the joint ventures and associates of the Group, recognised according to the fair value of the remaining equity investments held by the Group at the respective disposal dates (note 40).
- (b) During the year ended 31 December 2022, the Group acquired additional equity interests in a joint venture from the other independent shareholder of the joint venture at the consideration of RMB22,500,000 (2021: RMB501,134,000 in aggregate for certain joint ventures). Upon the completion of the acquisition, the joint venture became a subsidiary of the Group with remeasurement loss on the investment in the joint venture recognised in an amount of RMB5,094,000 (2021: remeasurement gains of RMB4,222,000) (note 5) and transferred to subsidiaries in an amount of RMB22,500,000 (note 39).
- (c) During the year ended 31 December 2022, the Group disposed of certain joint ventures and associates to independent third parties at the consideration of RMB2,602,749,000 (2021: RMB1,122,951,000) in aggregate. Upon the completion of the disposal, the Group recognised the disposal gains in an amount of RMB1,119,909,000 (2021: losses in an amount of RMB66,266,000) (note 5).

As at 31 December 2022, the Group's shares of losses of certain associates and joint ventures exceeded its interests in the underlying entities, and the unrecognised share of losses of these investment companies amounted to RMB1,370,926,000 (31 December 2021: RMB706,237,000).

The impairment charge was related to the decrease in prices of properties held by the associates and joint ventures of the Group. The directors of the Company had estimated the recoverable amount, which is the fair value less cost of disposal, of the Group's investments accounted for using the equity method for the purpose of impairment testing. The fair value was measured based on the adjusted net asset value of the relevant associates and joint ventures (Level 3 of the fair value hierarchy) by reviewing the lower of cost and net realisable value of the properties as at the end of the reporting period. Based on the assessment, the directors of the Company are of the opinion that an impairment of RMB1,401,226,000, arising from the property development segment, was considered necessary which was recognised in the profit or loss.

There is no material commitment relating to the Group's investments accounted for using the equity method.

20 Financial assets at fair value through other comprehensive income

	2022 RMB'000	2021 RMB'000
Unlisted equity investments	32,093	43,368

Equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise the financial assets at fair value through other comprehensive income. These are strategic investments and the Group considers this classification to be more relevant.

	2022 RMB'000	2021 RMB'000
Losses recognised in other comprehensive income, net of tax for the year	(8,357)	(131,146)

	2022 RMB'000	2021 RMB'000
As at beginning of the year	43,368	510,639
Additions	-	30,056
Acquisition of subsidiaries (note 39)	-	5,025
Losses recognised in other comprehensive income	(11,275)	(155,837)
Disposal	-	(346,515)
As at end of the year	32,093	43,368

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

As at 31 December 2022 and 2021, none of the equity securities in any individual investee company held by the Group equalled or exceeded 5% of the Group's total assets.

21 Financial assets at fair value through profit or loss

	2022 RMB'000	2021 RMB'000
Wealth management products	1,361,218	561,537
Hong Kong listed equity securities	3,247	40,841
Unlisted equity and debt investments	1,479,246	2,128,290
Others	3,238	80,727
	2,846,949	2,811,395

	2022 RMB'000	2021 RMB'000
Analysis by:		
Held for trading or mandatorily measured at fair value through profit or loss	1,367,703	1,001,890
Equity investments for which the Group has not elected to recognise fair value through other comprehensive income	1,479,246	1,809,505
	2,846,949	2,811,395

Decrease in fair values of financial assets at financial assets at fair value through profit or loss amounting to RMB770,848,000 (2021: a fair value gain of RMB59,882,000) are recorded as "other expenses" in profit or loss during the year ended 31 December 2022 (2021: "other income and gains, net").

As at 31 December 2022 and 2021, none of the equity or debt securities or financial products in any individual investee company held by the Group equalled or exceed 5% of the Group's total asset.

As at 31 December 2022, certain of the Group's financial assets at fair value through profit or loss with a net carrying amount of approximately RMB319,218,000 (2021: nil) were pledged as collateral for the Group's borrowings.

22 Properties under development

	2022 RMB'000	2021 RMB'000
Properties under development expected to be completed:		
– Within one operating cycle included under current assets	67,116,816	87,105,562
– Beyond one operating cycle included under non-current assets	19,919,251	21,274,754
	87,036,067	108,380,316
Properties under development comprise:		
– Construction costs and capitalised expenditures	21,206,622	24,858,916
– Capitalised interests	9,401,749	7,531,075
– Land use rights	56,427,696	75,990,325
	87,036,067	108,380,316

One operating cycle of property development is approximately 18 months.

Most of the Group's properties under development are located in Mainland China. The relevant land use rights in the PRC are on leases of 40 to 70 years.

The capitalization rate of borrowings is 6.92% for the year ended 31 December 2022 (2021: 5.89%).

As at 31 December 2022, the balance of provision in respect of write-down of the properties under development was amounted to RMB2,642,664,000 (2021: RMB1,043,655,000). The write-down of these properties recognised in profit or loss for the current year was amounted to RMB3,339,242,000 (2021: RMB158,201,000).

As at 31 December 2022, land use rights included in the properties under development with net book value of RMB36,138,495,000 (2021: RMB33,525,366,000) were pledged as collateral for the Group's borrowings.

The amounts of RMB43,244,100,000 as at 31 December 2022 (2021: RMB47,540,031,000) under normal operating cycle classified as current assets were expected to be completed and delivered beyond one year.

23 Completed properties held for sale

All completed properties held for sale are located in Mainland China. The relevant land use rights are on leases of 40 to 70 years.

As at 31 December 2022, the balance of provision in respect of write-down of the properties held for sale was amounted to RMB1,730,748,000 (31 December 2021: RMB1,281,369,000). The write-down of these properties recognised in profit or loss for the current year was amounted to RMB449,379,000 (2021: RMB584,055,000).

As at 31 December 2022, completed properties held for sale of approximately RMB1,168,027,000 (2021: RMB216,056,000) were pledged as collateral for the Group's borrowings.

24 Prepayments for acquisition of land use rights

Amounts represent up-front payments for acquiring land use rights for property development. The amounts will be transferred to properties under development in the consolidated statement of financial position when the Group obtains contractual usage rights of the relevant lands.

25 Trade and other receivables

	2022 RMB'000	2021 RMB'000
Trade receivables		
— Third parties	10,207,660	11,189,695
— Joint ventures (note 45(c))	2,644,462	2,278,591
— Associates (note 45(c))	46,364	54,880
Gross trade receivables	12,898,486	13,523,166
Less: allowance for impairment of trade receivables	(1,430,091)	(733,999)
Total trade receivables	11,468,395	12,789,167
Other receivables due from:		
— Third parties	28,662,020	21,100,671
— Joint ventures (note 45(c))	18,908,878	18,584,260
— Associates (note 45(c))	1,035,207	1,146,336
— Other related parties (note 45(c))	358,459	274,951
— Non-controlling interests	4,081,197	2,501,258
Loan and interest receivables due from related parties (note 45(c))	2,968,591	5,073,445
Prepaid value added taxes and other taxes	1,887,148	4,384,809
Deposits for acquisition of land use rights	771,492	887,623
Prepayments	1,250,978	695,186
Gross other receivables	59,923,970	54,648,539
Less: allowance for impairment of other receivables	(1,508,231)	(712,925)
Total other receivables	58,415,739	53,935,614
Less: other receivables — non-current portion	(8,381,269)	(8,797,543)
Other receivables — current portion	50,034,470	45,138,071
Trade and other receivables-current portion	61,502,865	57,927,238

As at 31 December 2022, the fair value of trade and other receivables approximated their carrying amounts. The maximum exposure to credit risk is the carrying amount of trade and other receivables mentioned above.

As at 31 December 2022, trade receivables of approximately RMB1,312,841,000 (31 December 2021: RMB1,584,565,000) were pledged as collateral for Group's borrowings (note 32).

25 Trade and other receivables (continued)

Trade receivables mainly arose from sales of properties, provision of property management services, provision of construction services and provision of environmental protection services. Trade receivables are settled in accordance with the terms stipulated respective in the property sale and purchase agreements or service agreements. As at 31 December 2022 and 2021, the ageing analysis of the trade receivables based on invoice date is as follows:

	2022 RMB'000	2021 RMB'000
Within 90 days	5,452,144	8,786,589
Over 90 days and within 365 days	3,677,415	3,215,483
Over 365 days	3,768,927	1,521,094
	12,898,486	13,523,166

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all contract assets and trade receivables. To measure the expected credit losses, contract assets and trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Trade receivables with known insolvencies are assessed individually for impairment allowances and are written off when there is no reasonable expectation of recovery. Indicators of insolvencies include, amongst others, the failure of a debtor in engaging a repayment plan with the Group, and a failure to make contractual payments. Trade receivables without known insolvencies and contract assets are assessed on a collective basis based on shared credit risk characteristics.

The cost and loss allowance provision for trade receivables and contract assets are categorised as follows for assessment purpose:

Individual: Trade receivables with known insolvencies

Collective: Other trade receivables and contract assets

	2022		2021	
	Cost RMB'000	Loss allowance RMB'000	Cost RMB'000	Loss allowance RMB'000
Individual:				
— trade receivables with known insolvencies	332,168	(332,168)	200,260	(200,260)
Collective:				
— other trade receivables	12,566,318	(1,097,923)	13,322,906	(533,739)
— contract assets	4,226,017	(61,700)	5,160,903	(10,283)
	17,124,503	(1,491,791)	18,684,069	(744,282)

25 Trade and other receivables (continued)

As at 31 December 2022, the Group has assessed that the expected loss rate for other receivables from related parties was immaterial considering the good finance position and credit history of the related parties. Thus no significant increase of loss allowance provision for other receivables from related parties was recognised.

On that basis, as at 31 December 2022, the loss allowance provision for the trade receivables and contract assets under collective basis was determined as follow. The expected credit losses below also incorporated forward looking information.

	Current	Past due			Total
		Up to 1 year	1 to 2 years	Over 2 years	
At 31 December 2022					
Expected loss rate	0%~0.80%	0.15%~10%	1%~24%	25%~100%	-
Gross carrying amount — trade receivables under collective basis (RMB'000)	5,119,976	3,677,415	2,528,628	1,240,299	12,566,318
Gross carrying amount — contract assets (RMB'000)	4,226,017	-	-	-	4,226,017
Loss allowance — trade receivables (RMB'000)	26,138	314,548	404,093	353,144	1,097,923
Loss allowance — contract assets (RMB'000)	61,700	-	-	-	61,700
At 31 December 2021					
Expected loss rate	0%~0.20%	0.15%~6%	1%~20%	5%~100%	-
Gross carrying amount — trade receivables under collective basis (RMB'000)	5,314,872	5,663,734	1,482,515	861,785	13,322,906
Gross carrying amount — contract assets (RMB'000)	5,160,903	-	-	-	5,160,903
Loss allowance — trade receivables (RMB'000)	-	124,805	275,600	133,334	533,739
Loss allowance — contract assets (RMB'000)	10,283	-	-	-	10,283

The Group uses the expected credit loss model to determine the expected loss provision for other receivables (excluding prepayments and prepaid value added taxes and other taxes). As at 31 December 2022, the Group has assessed that there is no significant increase of credit risk for other receivables. Thus, the Group used a loss rate approach with reference to the historical loss record of the Group to assess credit loss of other receivables.

As at 31 December 2022 and 2021, the loss allowance provision for the other receivables was determined as follows. The expected credit losses below also incorporated forward looking information.

As at 31 December 2022	
Gross carrying amount (RMB'000)	56,785,844
Expected loss rate	2.66%
Loss allowance provision (RMB'000)	1,508,231
As at 31 December 2021	
Gross carrying amount (RMB'000)	49,568,544
Expected loss rate	1.44%
Loss allowance provision (RMB'000)	712,925

25 Trade and other receivables (continued)

As at 31 December 2022 and 2021, the loss allowance provision for contract assets and trade and other receivables (excluding prepayments and prepaid value added taxes and other taxes) reconciles to the opening loss allowance for that provision as follows:

	Contract assets and trade receivables RMB'000	Other receivables (excluding prepayments and prepaid value added taxes) RMB'000	Total RMB'000
At 1 January 2022	744,282	712,925	1,457,207
Provision for loss allowance recognised in profit or loss	815,633	871,777	1,687,410
Receivables written off during the year as uncollectible	(68,124)	(76,471)	(144,595)
At 31 December 2022	1,491,791	1,508,231	3,000,022

	Contract assets and trade receivables RMB'000	Other receivables (excluding prepayments and prepaid value added taxes) RMB'000	Total RMB'000
At 1 January 2021	443,638	456,572	900,210
Impact of acquisition of subsidiaries	94,655	5,474	100,129
Provision for loss allowance recognised in profit or loss	244,742	255,503	500,245
Receivables written off during the year as uncollectible	(31,226)	(712)	(31,938)
Impact of disposal of subsidiaries	(7,527)	(3,912)	(11,439)
At 31 December 2021	744,282	712,925	1,457,207

26 Contract assets

	2022 RMB'000	2021 RMB'000
Contract assets relating to properties sale contracts	635,690	261,507
Contract assets relating to construction contracts	3,590,327	4,899,396
Loss allowance	(61,700)	(10,283)
Total contract assets	4,164,317	5,150,620

Contract assets are initially recognised for revenue earned from the provision of construction services as the receipt of consideration is conditional on successful completion of construction. Included in contract assets for construction services are retention receivables. Upon completion of installation or construction and acceptance by the customers, the amounts recognised as contract assets are reclassified to trade receivables. The decrease in contract assets in 2022 was the result of the decrease in the ongoing provision of construction services as at 31 December 2022.

During the year ended 31 December 2022, RMB51,417,000 (2021: RMB10,283,000) was recognised as an allowance for expected credit losses on contract assets.

For contract assets to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 25 to the financial statements.

The expected timing of recovery or settlement for contract assets as at 31 December is as follows:

	2022 RMB'000	2021 RMB'000
Within one year	4,164,317	5,150,620

27 Restricted cash

As at 31 December 2022 and 2021, the Group's restricted cash were mainly denominated in RMB. The conversion of the PRC Group entities' RMB denominated bank balances into foreign currencies and the remittance of such foreign currencies denominated bank balances and cash out of the PRC are subject to relevant rules and regulations of foreign exchange control promulgated by the PRC government.

As at 31 December 2022, deposits totalling RMB476,574,000 (2021: RMB3,300,200,000) were pledged as collateral for bank borrowings or facilities extended to certain business development partners of the Company. The remaining restricted cash is mainly comprised of guarantee deposits for mortgage loans, guarantee deposits for construction of pre-sold properties and deposits for accident compensation.

28 Cash and cash equivalents

	2022 RMB'000	2021 RMB'000
Cash and cash equivalents comprise the following:		
Cash at bank and in hand	8,461,078	22,541,502
Short-term bank deposits	2,001	261,214
	8,463,079	22,802,716
Denominated in RMB	7,652,901	21,413,909
Denominated in other currencies	810,178	1,388,807
	8,463,079	22,802,716

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term bank deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

29 Trade and other payables

	2022 RMB'000	2021 RMB'000
Trade payables (note(a))	27,585,540	24,949,589
Other payables due to:		
– Third parties (note(b) and note(e))	13,296,872	18,021,197
– Related parties (note 45(c) and note (e))	12,050,605	15,143,842
– Non-controlling interests (note(e))	3,276,492	4,408,032
Staff welfare benefit payable	1,133,411	1,133,293
Accruals	2,072,339	1,165,556
Advances from disposal of equity interests (note(c))	45,000	1,223,000
Other taxes payable (note(d))	6,197,079	6,785,703
Total trade and other payables	65,657,338	72,830,212
Less: other payables — non current portion	(5,500,842)	(4,572,361)
Trade and other payables — current portion	60,156,496	68,257,851

29 Trade and other payables (continued)

(a) The ageing analysis of the trade payables of the Group based on invoice date as at 31 December 2022 and 2021 is as follows:

	2022 RMB'000	2021 RMB'000
Within 90 days	11,449,189	15,830,600
Over 90 days and within 180 days	5,870,261	7,516,904
Over 180 days and within 365 days	4,020,254	971,214
Over 365 days	6,245,836	630,871
	27,585,540	24,949,589

(b) The other payables to third parties mainly include: (i) the deposits received from third parties for potential equity cooperation in certain property development projects; and (ii) quality guarantee and bidding deposit from constructors. The deposits are unsecured and repayable according to terms and conditions mutually agreed with the counter parties.

(c) Amounts of RMB45,000,000 represented advances from disposal of certain equity interest according to respective agreements with several independent third parties (2021: RMB1,223,000,000).

(d) Amounts of RMB3,261,812,000 represented value added tax payable of advanced proceeds received from customers (2021: RMB4,422,736,000).

(e) Amounts included current cash advances of RMB1,417,177,000 with interest bearing between 5.7% to 12.0% per annum (2021: RMB6,214,794,000, 4.8% to 12.0%) and non-current cash advances of RMB133,885,000 with interest bearing between 9.0% to 10.0% per annum (2021: RMB78,822,000, 9.0% to 10.0%).

30 Contract liabilities

	2022 RMB'000	2021 RMB'000
Contract liabilities		
— Related parties (note 45(c))	80,890	75,037
— Third parties	45,789,464	44,507,265
	45,870,354	44,582,302

The Group receives payments from customers based on billing schedule as established in contracts. Payments are usually received in advance of the performance under the contracts which are mainly from sales of properties and provision of property management services.

As at 1 January 2021, the carrying value of contract liabilities was RMB36,381,354,000.

31 Financial liabilities at fair value through profit or loss

As at 31 December 2022, the Group had the following financial liabilities at fair value through profit or loss:

	2022 RMB'000	2021 RMB'000
Non-current portion:		
– Derivative financial instruments	158,634	363,722
– Put options	275,961	130,591
	434,595	494,313
Current portion:		
– Put options	144,333	107,358

The notional principal amounts of the outstanding forward foreign exchange contracts as at 31 December 2022 were US\$883,000,000, approximating to RMB6,149,742,000 in total (2021: US\$783,000,000, approximating to RMB4,992,173,000).

During the year ended 31 December 2022, increase in fair value of derivative financial instruments of RMB32,824,000 (2021: RMB156,080,000) (i.e., a fair value loss) has been recorded in "finance costs, net" in the consolidated statement of profit or loss (note 7).

During the year ended 31 December 2022, increase in fair value of put options (non-current portion) of RMB145,370,000 (2021: RMB61,862,000) (i.e., a fair value loss) has been recorded in "other expenses" (2021: "other income and gains, net") in the consolidated statement of profit or loss.

During the year ended 31 December 2022, increase in fair value of put options (current portion) of RMB31,086,000 (i.e., a fair value loss) (2021: a fair value gain of RMB2,330,000) has been recorded in "other income and gains, net" and RMB5,889,000 (2021: RMB14,913,000) has been recorded in "finance costs, net" in the consolidated statement of profit or loss.

32 Borrowings

	2022		2021	
	Maturity	RMB'000	Maturity	RMB'000
Borrowings included in non-current liabilities:				
Senior notes (note(a))				
– Senior notes issued in 2017 (“2017 Senior notes”) (note(a)(i))	Nil	–	2022	1,272,104
– Senior notes issued in 2019 (“2019 Senior notes”) (note(a)(ii))	Nil	–	2022	3,186,047
– Senior notes issued in 2020 (“2020 Senior notes”) (note(a)(iii))	2025	6,826,216	2025	6,238,831
– Senior notes issued in 2021 (“2021 Senior notes”) (note(a)(iv))	2025–2026	5,285,889	2022–2026	7,363,534
PRC corporate bonds (note(b))	2023–2024	2,643,698	2022–2024	5,643,287
Commercial mortgage backup securities (note(c))	2024	4,008,610	2024	4,052,299
Asset-backed securities (note(d))	2023	702,923	2023	948,820
Exchangeable bonds (note(e))	2026	1,222,649	2026	1,119,362
Long-term syndicated loans				
– secured (note(f))	2023–2024	9,446,540	2023–2026	13,903,152
Long-term bank borrowings				
– secured (note(f))	2023–2041	19,655,490	2022–2031	25,880,327
– unsecured (note(g))	2023–2024	2,728,229	2022–2041	6,958,610
Other borrowings				
– secured (note(f))	2023–2027	3,720,852	2022–2027	3,903,503
– unsecured (note(g))	2024	501,052	2024	541,052
Less: current portion of non-current borrowings		(21,283,164)		(26,717,380)
		35,458,984		54,293,548
Borrowings included in current liabilities:				
Short-term bank borrowings				
– secured (note(f))	2023	1,796,697	2022	643,255
– unsecured (note(g))	2023	897,444	2022	1,736,517
Short-term other borrowings				
– secured (note(f))	2023	50,000	2022	480,000
– unsecured (note(g))	Nil	–	2022	3,345
Current portion of non-current borrowings		21,283,164		26,717,380
		24,027,305		29,580,497
Total borrowings		59,486,289		83,874,045

32 Borrowings (continued)

Notes:

(a) Senior notes

The senior notes are jointly guaranteed by certain subsidiaries of the Group and are secured by pledges of the shares of these subsidiaries. The net assets of these subsidiaries are approximately RMB2,774,216,000 as at 31 December 2022 (2021: RMB2,031,682,000).

(i) 2017 Senior notes

On 14 August 2017, the Company issued 5.125% senior notes with an aggregated nominal value of US\$200,000,000 (equivalent to approximately RMB1,332,020,000) at face value. The net proceeds, after deducting the issuance costs, amounted to US\$196,125,000 (equivalent to approximately RMB1,306,210,000). The 2017 Senior Notes matured on 14 August 2022 and the Company has redeemed all the outstanding 2017 Senior Notes upon maturity.

(ii) 2019 Senior notes

On 7 March 2019, the Company issued 6.7% senior notes with an aggregated nominal value of US\$500,000,000 (equivalent to approximately RMB3,355,500,000) at face value. The net proceeds, after deducting the issuance costs, amounted to US\$495,429,000 (equivalent to approximately RMB3,324,823,000). The 2019 Senior Notes matured on 7 March 2022 and the Company redeemed all the outstanding 2019 Senior Notes.

(iii) 2020 Senior notes

On 3 July 2020, the Company issued 5.750% senior notes with an aggregated nominal value of USD\$500,000,000 (equivalent to approximately RMB3,531,900,000) at face value. The net proceeds, after deducting the issuance costs, amounted to USD\$497,109,000 (equivalent to approximately RMB3,511,482,000). The notes will mature in July 2025.

On 13 October 2020, the Company issued 6.050% senior notes with an aggregated nominal value of USD\$483,000,000 (equivalent to approximately RMB3,232,868,000) at face value. The net proceeds, after deducting the issuance costs, amounted to USD\$480,039,000 (equivalent to approximately RMB3,212,904,000). The notes will mature in October 2025.

(iv) 2021 Senior notes

On 17 May 2021, the Company issued 5.5% senior notes with an aggregated nominal value of US\$450,000,000 (equivalent to approximately RMB2,890,050,000) at face value. The net proceeds, after deducting the issuance costs, amounted to US\$445,710,000 (equivalent to approximately RMB2,862,351,000). The notes will mature in May 2026.

On 21 July 2021, the Company issued 5.5% senior notes with an aggregated nominal value of USD\$314,000,000 (equivalent to approximately RMB2,035,819,000) at face value. The net proceeds, after deducting the issuance costs, amounted to USD\$311,051,000 (equivalent to approximately RMB2,016,701,000). The notes will mature in April 2025.

On 31 August 2021, the Company issued 4.85% senior notes with an aggregated nominal value of USD\$400,000,000 (equivalent to approximately RMB2,587,160,000) at face value. The net proceeds, after deducting the issuance costs, amounted to USD\$397,740,000 (equivalent to approximately RMB2,572,547,000). On 22 August 2022, the Company has redeemed the senior notes in an aggregate principal amount of US\$39,574,000 (equivalent to approximately RMB260,800,000) plus accrued and unpaid interests and the Company has redeemed all the remaining amount upon maturity on 31 August 2022.

The Company, at its option, can redeem all or a portion of the Senior Notes at any time prior to the maturity date at the redemption prices plus accrued and unpaid interest up to the redemption date.

32 Borrowings (continued)

Notes: (continued)

(b) PRC corporate bonds

On 11 October 2016, the Company issued 5.7% corporate bonds with an aggregate amount of RMB1,200,000,000. The net proceeds, after deducting the issuance costs, amounted to approximately RMB1,192,500,000. On 11 October 2021, the Company redeemed the bonds in an aggregate principal amount of RMB1,200,000,000 as the investors exercised the right to sell back. The bonds have been resold to new investors, and the bonds will mature on 11 October 2023 at the coupon rate of 6.5%.

On 13 July 2020, the Group issued 6.20% non-public corporate bonds with an aggregate amount of RMB1,500,000,000. The net proceeds, after deducting the issuance costs, amounted to approximately RMB1,495,500,000. On 13 July 2022 ("the Redemption Date"), the Group redeemed the outstanding corporate bonds in full at a redemption price equal to 100% of the principal amount of the corporate bonds and the accrued and unpaid interest as of the Redemption Date.

On 19 October 2020, the Group issued 6.20% non-public corporate bonds with an aggregate amount of RMB1,500,000,000. The net proceeds, after deducting the issuance costs, amounted to approximately RMB1,498,440,000. On 19 October 2022 ("the Redemption Date"), the Group redeemed the outstanding corporate bonds in full at a redemption price equal to 100% of the principal amount of the corporate bonds and the accrued and unpaid interest as of the Redemption Date.

On 9 April 2021, a PRC subsidiary of the Company issued 5.9% corporate bonds with an aggregate amount of RMB1,450,000,000. The net proceeds, after deducting the issuance costs, amounted to approximately RMB1,445,650,000. The bonds will mature on 9 April 2024. The Company shall be entitled to adjust the coupon rate at the end of the first year whereas the investors shall be entitled to sell back the bonds in whole or in part. On 9 April 2022, the coupon rate is adjusted up to 6.5%.

(c) Commercial Mortgage Backed Securities

A PRC subsidiary of the Company engaged in commercial property operation entered into Commercial Mortgage Backed Securities ("CMBS"), at the coupon rate of 5.85%, arrangement with an assets management company by pledging of the receivables for certain properties under its operation as well as the self-used properties, the land use rights and the investment properties. On 10 April 2018, the CMBS was formally established with an aggregate nominal value of RMB4,600,000,000, with a 18-year maturity, amongst which RMB500,000,000 was subordinate securities purchased by the PRC subsidiary as original equity holder. The net proceeds from the CMBS, after deducting the issuance costs and the subordinate securities purchased by the PRC subsidiary, amounted to approximately RMB4,066,700,000. The CMBS has been resold to new investors at the coupon rate of 5.1%, and the CMBS will mature on 21 January 2024.

(d) Asset-backed securities

A PRC subsidiary of the Company engaged in property development entered into Panyu asset-backed securities (the "Panyu ABS") arrangement with an assets management company by pledging of the receivables for certain properties under its management. On 31 October 2020, the Panyu ABS was formally established with an aggregate nominal value of RMB1,000,000,000, with a 2-year maturity, amongst which RMB50,000,000 was purchased by the PRC subsidiary as original holder. The investors shall be entitled to sell back the Panyu ABS in whole or in part at the end of the second year. The net proceeds from the Panyu ABS, after deducting the issuance costs and the subordinate securities purchased by the PRC subsidiary, amounted to approximately RMB948,245,000. The Group redeemed the bond in full on 28 October 2022 as the investors exercised the right to sell back. The asset-backed securities has been resold to new investors in an aggregate amount of RMB702,923,000, and the asset-backed securities will mature on 28 October 2023.

32 Borrowings (continued)

Notes: (continued)

(e) Exchangeable bonds

On 24 November 2021, a subsidiary (the "Issuer") of the Company issued 7% exchangeable bonds with an aggregated principal amount of HK\$2,418,000,000 (equivalent to approximately RMB1,982,784,000), which would be exchangeable into the H shares of nominal value of RMB1.00 each of A-Living Smart City Service Co., Ltd. The exchange right in respect of exchangeable bonds might be exercised by the the bondholder, at any time during the period from (and including) 4 January 2022 up to (and including) the date which falls seven days prior to 24 November 2026, in which the exchange price will initially be HK\$27.48 per A-Living share. The exchangeable bonds will mature in November 2026. The initial value of the liability component was calculated using a market interest rate for an equivalent non-exchangeable bond of the Company. The residual amount of the conversion option amounting to HK\$758,459,000 was initially accounted for as an equity component and included in other reserves in the year ended 31 December 2021.

(f) As at 31 December 2022, the Group's borrowings were secured by certain of its land use rights, self-used properties, trade receivables, completed properties held for sale, properties under development, investment properties and the shares of certain subsidiaries and equity interests of a joint venture.

(g) As at 31 December 2022, the Group's unsecured borrowings of RMB4,117,573,000 were jointly guaranteed by certain subsidiaries of the Group (2021: RMB9,239,524,000).

The carrying amounts of the borrowings with the respective effective interest are as follows:

	2022		2021	
	RMB'000	Effective interest rate	RMB'000	Effective interest rate
Senior notes	12,112,105	5.76%	18,060,516	6.32%
PRC corporate bonds	2,643,698	5.88%	5,643,287	5.91%
Commercial mortgage backup securities	4,008,610	5.13%	4,052,299	5.27%
Asset-backed securities	702,923	6.03%	948,820	6.54%
Exchangeable bonds	1,222,649	12.62%	1,119,362	12.47%
Bank borrowings	34,524,400	5.72%	49,121,861	5.26%
Other borrowings	4,271,904	7.59%	4,927,900	8.33%
	59,486,289		83,874,045	

32 Borrowings (continued)

The carrying amounts and fair value of the non-current borrowings are as follows:

	2022		2021	
	Carrying amount RMB'000	Fair value RMB'000	Carrying amount RMB'000	Fair value RMB'000
Senior notes (note(i))	12,112,105	6,007,260	18,060,516	11,782,070
PRC public corporate bonds (note(ii))	-	-	1,446,711	1,106,350
PRC non-public corporate bonds (note(iii))	-	-	2,996,576	2,996,576
Exchangeable bonds (note(iv))	1,222,649	1,010,466	1,119,362	1,238,961
Bank borrowings, syndicated loans and other borrowings (note(iii))	22,124,230	22,124,230	30,670,383	30,670,383
	35,458,984	29,141,956	54,293,548	47,794,340

Notes:

- (i) The fair value of senior notes is determined directly by references to the price quotations published by the Singapore Exchange Limited and The Stock Exchange of Hong Kong Limited on 31 December 2022, the last dealing date of 2022 and is within level 1 of the fair value hierarchy.
- (ii) The fair value of RMB1,106,350,000 PRC public corporate bond as at 31 December 2021 was determined directly by references to the price quotations published by the China Securities Index Co., Ltd on 31 December 2021, the last dealing date of 2021 and was within level 1 of the fair value hierarchy.
- (iii) The fair values of PRC non-public corporate bonds, non-current bank borrowings, syndicated loans, other borrowings and others approximate their carrying amount as the impact of discounting was not significant. The fair values were based on cash flows discounted at the average borrowing rate of 6.10% (2021: 5.76%), and were within level 2 of the fair value hierarchy.
- (iv) The fair value of exchangeable bonds was valued by an independent professionally qualified valuer, who holds relevant professional qualifications and has recent experience in evaluating fair value of the bonds, on 31 December 2022, the last dealing date of 2022 and is within level 2 of the fair value hierarchy.

32 Borrowings (continued)

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the end of the year are as follows:

	2022 RMB'000	2021 RMB'000
6 months or less	14,030,808	20,805,901
6-12 months	15,605,694	23,973,733
1-5 years	29,849,787	39,094,411
	59,486,289	83,874,045

At 31 December 2022 and 2021, the Group's bank and other borrowings were repayable as follows:

Bank borrowings:

	2022 RMB'000	2021 RMB'000
Within 1 year	17,889,514	15,250,210
Between 1 and 2 years	12,621,763	13,064,794
Between 2 and 5 years	2,299,894	17,119,074
Over 5 years	1,713,229	3,687,785
	34,524,400	49,121,863

Other borrowings:

	2022 RMB'000	2021 RMB'000
Within 1 year	6,137,791	14,330,287
Between 1 and 2 years	1,181,036	2,549,886
Between 2 and 5 years	14,004,452	17,760,630
Over 5 years	3,638,610	111,379
	24,961,889	34,752,182
	59,486,289	83,874,045

32 Borrowings (continued)

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	2022 RMB'000	2021 RMB'000
RMB	30,209,268	46,309,626
Hong Kong dollar ("HK\$")	12,104,518	15,823,976
United States dollar ("USD")	15,945,310	20,554,366
Malaysianringgit ("MYR")	533,304	532,151
Macau Pataca ("MOP")	693,889	653,926
	59,486,289	83,874,045

As at 31 December 2022, the Group's borrowings of RMB52,715,866,000 were secured by the Group's equity interests in subsidiaries of RMB23,121,152,000 (2021: RMB7,931,532,000) and certain assets of the Group (notes 14, 15, 16, 21, 22, 23, 25 and 27).

33 Deferred income tax

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

	2022 RMB'000	2021 RMB'000
Deferred income tax assets	3,846,611	2,276,688
Set-off of deferred tax assets/liabilities	(80,773)	(111,492)
	3,765,838	2,165,196
Deferred income tax liabilities	(3,949,843)	(4,173,130)
Set-off of deferred tax assets/liabilities	80,773	111,492
	(3,869,070)	(4,061,638)
Deferred income tax liabilities, net	(103,232)	(1,896,442)

33 Deferred income tax (continued)

Deferred income tax assets

The movement in deferred income tax assets and liabilities during the year is as follows:

	Tax losses	Write-down of completed properties held for sale and properties under development	Temporary differences arising from trade and other receivables and contract assets	Unrealised profit on intra-group transactions	Lease provisions	LAT provisions	Provision for impairment losses on investments accounted for using the equity method	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2021	737,192	269,493	217,323	283,152	6,311	97,448	-	1,610,919
Acquisition of subsidiaries (note 39)	7,272	-	23,803	-	-	-	-	31,075
Disposal of subsidiaries	(80,710)	-	(1,107)	-	-	-	-	(81,817)
Credited/(charged) to the consolidated statement of profit or loss (note 10)	144,135	261,642	109,486	74,708	1,532	129,119	-	720,622
Re-measurement of deferred tax – change in the tax rate of the Company (note 10)	419	-	1,102	-	-	-	-	1,521
Classified as held for sale (note 11)	(5,632)	-	-	-	-	-	-	(5,632)
At 31 December 2021 and 1 January 2022	802,676	531,135	350,607	357,860	7,843	226,567	-	2,276,688
Acquisition of subsidiaries (note 39)	3,228	-	2,289	-	-	-	-	5,517
Cancellation of subsidiaries	(9)	-	-	-	-	-	-	(9)
Disposal of subsidiaries (note 40)	(25,489)	-	(209)	-	-	-	-	(25,698)
Credited/(charged) to the consolidated statement of profit or loss (note 10)	(102,309)	578,068	414,726	71,428	(3,856)	502,317	149,385	1,609,759
Classified as held for sale (note 11)	(19,646)	-	-	-	-	-	-	(19,646)
At 31 December 2022	658,451	1,109,203	767,413	429,288	3,987	728,884	149,385	3,846,611

33 Deferred income tax (continued)

Deferred income tax liabilities

	Excess of carrying amount of investment properties and property, plant and equipment over the tax bases	Excess of carrying amount of intangible assets over the tax bases	Excess of carrying amount of land use right over the tax bases	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2021	1,733,574	366,990	2,128,216	76,989	4,305,769
Acquisition of subsidiaries (note 39)	536	172,897	8,891	-	182,324
Disposal of subsidiaries	-	(8,338)	(411,000)	-	(419,338)
Charged/(credited) to the consolidated statement of profit or loss (note 10)	38,399	(4,751)	98,059	22,296	154,003
Re-measurement of deferred tax – change in the tax rate of the Company (note 10)	671	-	-	67	738
(Credited)/charged to other comprehensive income	16,530	-	-	(24,691)	(8,161)
Classified as held for sale (note 11)	-	(42,205)	-	-	(42,205)
At 31 December 2021 and 1 January 2022	1,789,710	484,593	1,824,166	74,661	4,173,130
Acquisition of subsidiaries (note 39)	-	58,008	19,419	-	77,427
Disposal of subsidiaries (note 40)	-	(47,847)	-	-	(47,847)
(Credited)/charged to the consolidated statement of profit or loss (note 10)	(170,620)	(103,731)	(253,328)	280,608	(247,071)
Charged to other comprehensive income	4,986	(1,077)	-	(2,892)	1,017
Classified as held for sale (note 11)	-	(6,813)	-	-	(6,813)
At 31 December 2022	1,624,076	383,133	1,590,257	352,377	3,949,843

The Group had unutilised tax losses arising in Mainland China of RMB17,610,237,000 as at 31 December 2022 (2021: RMB6,322,260,000) that can be carried forward for five years from the year in which the losses arose for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of the above items as it is not considered probable that taxable profits will be available against which the above items can be utilised.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5% or 10%.

34 Share capital and premium

	2022 Nominal value of ordinary shares HK\$'000	2022 Equivalent nominal value of ordinary shares RMB'000	2021 Nominal value of ordinary shares HK\$'000	2021 Equivalent nominal value of ordinary shares RMB'000
Authorised 10,000,000,000 shares at HK\$0.1 each	1,000,000	N/A	1,000,000	N/A
Issued and fully paid: 4,480,547,500 shares (2021: 3,917,047,500 shares)	448,055	449,144	391,705	400,253

A summary of movements in the Company's share capital is as follows:

	Number of ordinary shares '000	Share capital RMB'000	Share premium RMB'000
At 1 January 2021 and 31 December 2021 and 1 January 2022	3,917,048	400,253	3,021,630
Issue of ordinary shares of the Company on 23 November 2022 pursuant to the Placing and Subscription Agreement dated 18 November 2022	295,000	25,665	694,245
Issue of ordinary shares of the Company on 30 December 2022 pursuant to the Placing and Subscription Agreement dated 22 December 2022	268,500	23,226	540,760
At 31 December 2022	4,480,548	449,144	4,256,635

34 Share capital and premium (continued)

The total authorised number of ordinary shares is 10,000,000,000 shares (2021: 10,000,000,000 shares), with a par value of HK\$0.1 per share (2021: HK\$0.1 per share).

All issued shares are fully paid.

During the year ended 31 December 2022, the Company implemented two top-up placing of existing shares and subscription of new shares under general mandate:

- i) A total of 295,000,000 placing shares have been placed and subscribed at the price of HK\$2.68 per placing share on 18 November 2022 and 23 November 2022, respectively. The net proceeds, after deducting all relevant fees, costs and expenses to be borne or incurred by the Company amount approximately to HK\$783,000,000 from the subscription (equivalent to RMB719,909,000).
- ii) A total of 268,500,000 placing shares have been placed and subscribed at the price of HK\$2.32 per placing share on 22 December 2022 and 30 December 2022, respectively. The net proceeds, after deducting all relevant fees, costs and expenses to be borne or incurred by the Company amount approximately to HK\$617,200,000 from the subscription (equivalent to RMB563,986,000).

35 Share award scheme

On 10 December 2013, the board of directors of the Company (the "Board") adopted a Share Award Scheme, under which shares may be awarded to employees of the Company in accordance with the terms and conditions of the Share Award Scheme.

Pursuant to the rules of the Share Award Scheme, the Group has set up a trust ("Employee Share Trust"), for the purposes of administering the Share Award Scheme and holding Awarded Shares before they vest. On 10 February 2014, the Company allotted and issued 34,470,000 new shares to the trustee to hold on trust. On 3 January 2014, 32,750,000 of which has been granted to the 116 selected employees, subject to, among others, the performance conditions of both the Group and the awardees can be fulfilled and the awardees remain employed by the Group.

The award of first 30% and second 30% Awarded Shares lapsed effective from 26 August 2015 and 23 August 2016 respectively. Following the confirmation that relevant vesting conditions have not been satisfied on 20 June 2017, the Board resolved in its meeting held on 28 August 2017 that the award of the remaining 40% Awarded Shares lapsed effective from 28 August 2017. The lapsed shares held in Share Award Scheme will not be cancelled. As at 31 December 2022, the shares under the Share Award Scheme held by the Employee Share Trustee are 34,470,000 ordinary shares which are amounted to RMB156,588,000 (2021: RMB156,588,000), presented within equity in the consolidated statement of financial position. For the year ended 31 December 2022, no expenses in relation to the Share Award Scheme were recognised in the consolidated statement of profit or loss as the performance conditions were not fulfilled and no awarded shares were vested (2021: nil).

36 Reserves

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 112 to 113 of the consolidated financial statements.

36 Reserves (continued)

Notes:

- (a) Merger reserve of the Group represents the difference between the share capital of subsidiaries acquired over the nominal value of the shares of the Company issued in exchange pursuant to the Group reorganisation undertaken for listing of Company's shares on the Hong Kong Stock Exchange.
- (b) Pursuant to the relevant rules and regulation concerning foreign investment enterprise established in the PRC and the articles of association of certain PRC subsidiaries of the Group, those subsidiaries are required to transfer an amount of their profit after taxation to the statutory reserve fund, until the accumulated total of the fund reaches 50% of their registered capital. The statutory reserve fund may be distributed to equity holders in form of bonus issue.

The appropriation to the enterprise expansion fund is solely determined by the board of directors of the PRC subsidiaries.

- (c) During the year ended 31 December 2021, the Group acquired an aggregate of 50,000,000 overseas listed shares of A-Living Smart City Services Co., Ltd (representing approximately 3.52% of the total issued share capital), at a total consideration of RMB1,335,455,000. The difference of RMB966,438,000 between the carrying value of the non-controlling interests and the consideration paid was recorded as other reserve.

During the year ended 31 December 2021, the Group acquired additional equity interests of certain subsidiaries from NCI at an aggregate consideration of RMB900,002,000. The difference of RMB527,895,000 between the carrying value of the non-controlling interests and the consideration paid was recorded as other reserve.

During the year ended 31 December 2022, the Group disposed an aggregate of 97,600,000 overseas listed shares of A-Living Smart City Services Co., Ltd. (representing approximately 6.87% of the total issued share capital), at a total consideration of RMB740,614,000. The difference of RMB60,713,000 between the carrying value of the non-controlling interests and the consideration was recorded as other reserve.

During the year ended 31 December 2022, the Group partially disposed equity interest in Lai'an Agile Real Estate Development Co., Ltd without loss of control at an aggregated consideration of RMB50,000,000. The difference of RMB31,209,000 between the carrying value of the non-controlling interests and the consideration was recorded as other reserve.

During the year ended 31 December 2022, the Group acquired additional equity interests of certain subsidiaries from NCI at an aggregate consideration of RMB612,729,000. The difference of RMB138,767,000 between the carrying value of the non-controlling interests and the consideration paid was recorded as other reserve.

- (d) On 28 May 2021, A-Living Smart City Services Co., Ltd entered into a placing agreement to procure placees for an aggregate of 86,666,800 new H Shares at the HK\$37.60 per H Share (the "Placing"). On 4 June 2021, A-Living received net proceeds amounted to HK\$3,242,127,000 (equivalent to RMB2,677,511,000) from the Placing after deducting related fees and expenses, among of which, RMB1,574,695,000 was recorded as non-controlling interests and RMB1,102,816,000 was recorded as other reserve.
- (e) Gongqingcheng A-Living Investment Management Limited Partnership (共青城雅生活投資管理合夥企業(有限合夥)) ("Gongqingcheng Investment") is a limited partnership established in accordance with the Partnership Laws of the People's Republic of China with Gongqingcheng Yagao Investment Management Co., Ltd. (共青城雅高投資管理有限公司) as its general partner and Shanghai Yongya Business Consultancy Limited Partnership (上海詠雅商務諮詢合夥企業(有限合夥)), Shanghai Yeya Business Consultancy Limited Partnership (上海燁雅商務諮詢合夥企業(有限合夥)), Mr. Huang Fengchao, Mr. Li Dalong and Mr. Feng Xin as its limited partners. Gongqingcheng Investment is a shareholding platform for employees of A-Living Smart City Services Co., Ltd., a subsidiary of the Company whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

On 20 January 2022 and 12 July 2022, A-Living received notices that Gongqingcheng Investment entered into share transfer agreements with certain senior management of the Group and persons having made outstanding contributions to the development of the Group (collectively, the "Purchasers"), pursuant to which Gongqingcheng Investment agreed to sell, and the Purchasers agreed to purchase the ordinary shares of A-Living ("H Shares") at HK\$3.062 per H Share (the "Transfer"). The fair value of the equity instruments granted as at the date of share transfer of RMB132,990,000 was recognised as share based payment expense with corresponding credited to the share-based payment reserve.

37 Perpetual capital securities

Movement of the Perpetual Capital Securities are as follows:

	Principal RMB'000	Distribution RMB'000	Total RMB'000
Balance as at 1 January 2021	13,429,012	208,481	13,637,493
Redemption of Perpetual Capital Securities	(626,902)	–	(626,902)
Profit attributable to holders of Perpetual Capital Securities	–	983,860	983,860
Distribution made to holders of Perpetual Capital Securities	–	(979,327)	(979,327)
Balance as at 31 December 2021	12,802,110	213,014	13,015,124
Balance as at 1 January 2022	12,802,110	213,014	13,015,124
Profit attributable to holders of Perpetual Capital Securities	–	995,305	995,305
Distribution made to holders of Perpetual Capital Securities	–	(785,952)	(785,952)
Balance as at 31 December 2022	12,802,110	422,367	13,224,477

On 7 March 2018, the Company issued senior perpetual capital securities with the aggregate principal amount of US\$500,000,000. Net proceeds of the perpetual capital securities (the “2018 Perpetual Capital Securities I”) after deducting the issuance cost amounted to US\$491,539,000 (equivalent to approximately RMB3,107,957,000).

On 4 June 2019, the Company issued senior perpetual capital securities (the “2019 Perpetual Capital Securities”) with the principal amount of US\$700,000,000. Net proceeds after deducting the issuance cost amounted to US\$693,792,000 (equivalent to approximately RMB4,779,956,000).

On 31 October 2019, the Company issued senior perpetual capital securities (the “2019 Perpetual Capital Securities II”) with the principal amount of US\$500,000,000. Net proceeds after deducting the issuance cost amounted to US\$496,558,000 (equivalent to approximately RMB3,497,619,000).

On 25 November 2019, the Company issued senior perpetual capital securities (the “2019 Perpetual Capital Securities III”) with the principal amount of US\$200,000,000. Net proceeds after deducting the issuance cost amounted to US\$198,730,000 (equivalent to approximately RMB1,399,798,000).

The Perpetual Capital Securities do not have maturity date and the distribution payments can be deferred at the discretion of the Company. Therefore, the Perpetual Capital Securities are classified as equity instruments and recorded in equity in the consolidated statement of financial position. When the Company elects to declare dividends to its ordinary shareholders, the Company shall make distribution to the holders of Perpetual Capital Securities at the distribution rate as defined in the subscription agreement. The Company elected to defer the distribution scheduled to be paid on the distribution payment date falling on 4 December 2022.

38 Partly-owned subsidiary with material non-controlling interests

Details of the investment in a subsidiary with material non-controlling interests are set out below:

Name of entity	Place of business/ country of incorporation	% of equity held by non-controlling interests	
		2022	2021
雅生活智慧城市服務股份有限公司 A-Living Smart City Services Co., Ltd.	PRC/foreign invested enterprise	52.56%	45.69%

Summarised consolidated statement of financial position of A-Living

	2022 RMB'000	2021 RMB'000
Current assets	15,300,866	13,410,959
Current liabilities	(8,188,135)	(6,756,820)
Current net assets	7,112,731	6,654,139
Non-current assets	7,400,848	6,770,418
Non-current liabilities	(388,985)	(513,629)
Non-current net assets	7,011,863	6,256,789
Net assets	14,124,594	12,910,928
Accumulated balance of non-controlling interests	8,481,166	7,039,500

Summarised consolidated statement of profit or loss of A-Living

	2022 RMB'000	2021 RMB'000
Revenue	15,378,576	14,080,089
Profit for the year	1,934,932	2,565,569
Other comprehensive income	(8,357)	3,764
Total comprehensive income	1,926,575	2,569,333
Profit for the year allocated to non-controlling interests	1,062,224	1,287,099
Dividends paid/payable to non-controlling interests	(419,805)	(510,076)

Summarised consolidated statement of cash flows of A-Living

	2022 RMB'000	2021 RMB'000
Cash flows (used in)/from operating activities	(892,643)	2,644,535
Cash flows from/(used in) investing activities	1,156,865	(4,410,380)
Cash flows (used in)/generated from financing activities	(850,508)	1,102,740
Net decrease in cash and cash equivalents	(586,286)	(663,105)

39 Business combinations

During the year ended 31 December 2022, the Group completed several acquisitions of equity interests in certain companies, mainly included property development companies and property management companies, at consideration of RMB433,910,000 in aggregate. Goodwill of RMB191,670,000 and total identifiable net assets of RMB251,145,000 were recognised. The directors of the Company consider that none of these subsidiaries acquired during the year were significant to the Group and thus the individual financial information of these subsidiaries on the acquisition date was not disclosed.

During the year ended 31 December 2021, the Group completed several acquisitions of equity interests in certain companies, mainly included property development companies and property management companies, at consideration of RMB1,910,248,000 in aggregate. Goodwill of RMB1,027,350,000 and total identifiable net assets of RMB1,463,262,000 were recognised. The directors of the Company consider that none of these subsidiaries acquired during the year were significant to the Group and thus the individual financial information of these subsidiaries on the acquisition date was not disclosed.

Details of the purchase consideration, the net asset acquired and goodwill are as follows:

	Notes	2022 RMB'000	2021 RMB'000
Consideration			
Cash paid		403,910	1,209,117
Liabilities assumed by the Group in exchange for control of the acquirees		7,500	200,000
Fair value of investments in joint ventures held before business combinations		22,500	501,131
		433,910	1,910,248
Cash and cash equivalents		333,089	475,416
Financial assets at fair value through profit or loss		–	27,850
Financial assets at fair value through other comprehensive income		–	5,025
Property, plant and equipment	14	3,400	322,848
Investments accounted for using the equity method	19	–	662
Investment properties	15	–	110,337
Properties under development		1,562,864	663,320
Other intangible assets	18	232,033	635,991
Right-of-use assets		–	34,634
Inventories		1,108	39,476
Trade and other receivables		59,031	1,744,428
Trade and other payables		(895,566)	(1,495,326)
Contract liabilities		(43,366)	(639,009)
Lease liabilities		–	(37,930)
Borrowings		(920,000)	(244,718)
Current income tax liabilities		(9,538)	(28,493)
Deferred income tax assets	33	5,517	31,075
Deferred income tax liabilities	33	(77,427)	(182,324)
Total identifiable net assets		251,145	1,463,262
Non-controlling interests		2,115	580,364
Identifiable net assets attributable to the Company		249,030	882,898
Gain from bargain purchase of subsidiaries	5	(6,790)	–
Goodwill	17	191,670	1,027,350

39 Business combinations (continued)

Net cash outflow arising on acquisition during the years ended 31 December 2022 and 31 December 2021:

	2022 RMB'000	2021 RMB'000
Cash and cash equivalents in the subsidiaries acquired	333,089	475,416
Less: total cash considerations	(403,910)	(1,209,117)
Add: cash considerations payable as at 31 December	4,528	35,727
Add: cash considerations paid in prior year	120,000	103,275
Less: cash considerations paid of companies acquired in the previous years	-	(709)
Cash inflow/(outflow) in the year	53,707	(595,408)

The acquired businesses contributed revenues of RMB280,984,000 (2021: RMB2,017,622,000) and net loss of RMB16,336,000 (2021: net profit RMB85,137,000) to the Group for the period from the respective acquisition dates to 31 December 2022.

If the acquisitions had occurred on 1 January 2022, the Group's consolidated pro-forma revenue and net loss for the year ended 31 December 2022 would have been RMB54,034,327,000 and RMB13,423,153,000, respectively.

If the acquisitions had occurred on 1 January 2021, the Group's consolidated pro-forma revenue and net profit for the year ended 31 December 2021 would have been RMB74,093,387,000 and RMB9,169,180,000, respectively.

No contingent liability has been recognised for the business combinations.

40 Disposal of subsidiaries

During the year ended 31 December 2022, the Group disposed of certain equity interests in several subsidiaries (the "Disposed Projects") to independent third parties at considerations of RMB725,000,000 in total. The Group lost control over the Disposed Projects and according to the shareholders agreements, the Group is eligible to exercise joint control or significant influence over the Disposed Projects together with relevant buyers. The Group accounted for the Disposed Projects as joint ventures and associates, recorded disposal gain of RMB536,664,000 during the year ended 31 December 2022.

Pursuant to the share transfer agreement, the Group disposed of its equity interests of some subsidiaries to third parties and a joint venture for considerations of RMB2,081,148,000 and RMB849,000,000, respectively. The consideration was determined by reference to the fair value of the equity interests disposed of. The Group records net disposal gain of RMB317,294,000 during the year ended 31 December 2022.

40 Disposal of subsidiaries (continued)

Details of the disposal transactions for the year ended 31 December 2022 are as follows:

	Property development RMB'000	Property management RMB'000	Others RMB'000	Total RMB'000
Cash and cash equivalents	356,504	1,000,115	12,855	1,369,474
Restricted cash	590,605	-	21,116	611,721
Property, plant and equipment	514	-	314,542	315,056
Investments accounted for using the equity method	688,164	-	-	688,164
Properties under development	5,641,574	-	60,553	5,702,127
Other intangible assets	142	-	790,402	790,544
Right-of-use assets	-	-	19,295	19,295
Goodwill	-	-	38,219	38,219
Contract assets	-	-	2,082	2,082
Completed properties held for sale	641,637	-	-	641,637
Trade and other receivables	440,633	5,108	459,036	904,777
Assets of disposal groups classified as held for sale	269,525	-	2,586,132	2,855,657
Trade and other payables	(3,512,371)	1,001,992	(817,956)	(5,332,319)
Contract liabilities	(936,088)	-	(6,959)	(943,047)
Borrowings	(1,862,753)	-	(375,962)	(2,238,715)
Current income tax liabilities	(2,106)	(2,139)	(1,408)	(5,653)
Deferred income tax assets	18,628	209	6,861	25,698
Deferred income tax liabilities	-	-	(47,847)	(47,847)
Liabilities directly associated with assets classified as held for sale	-	-	(1,514,500)	(1,514,500)
Total net assets of the Disposal Projects	2,334,608	1,301	1,546,461	3,882,370
Less: Non-controlling interests	(357,108)	-	(403,701)	(760,809)
Gains from disposal of subsidiaries	435,349	(1,301)	419,910	853,958
	2,412,849	-	1,562,670	3,975,519
Disposal considerations				
Cash received	1,858,574	-	1,458,420	3,316,994
Remaining unpaid acquisition consideration of subsidiaries disposed of	233,904	-	88,261	322,165
Fair value of remaining equity interests in the Disposed Projects	320,371	-	-	320,371
Others	-	-	15,989	15,989
	2,412,849	-	1,562,670	3,975,519

40 Disposal of subsidiaries (continued)

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

	Property development RMB'000	Property management RMB'000	Others RMB'000	Total RMB'000
Total cash consideration received	1,858,574	–	1,458,420	3,316,994
Less:				
Cash and cash equivalents of the Disposal Projects disposed of	(356,504)	(1,000,115)	(53,843)	(1,410,462)
Advances from disposal of the subsidiaries received in prior years	(317,837)	–	(547,409)	(865,246)
Net cash inflow/(outflow) on disposal	1,184,233	(1,000,115)	857,168	1,041,286

During the year ended 31 December 2021, the Group disposed of certain equity interests in several subsidiaries (the "Disposed Projects") to independent third parties at considerations of RMB4,990,716,000 in total. The Group lost control over the Disposed Projects and according to the shareholders agreements, the Group is eligible to exercise joint control or significant influence over the Disposed Projects together with relevant buyers. The Group accounted for the Disposed Projects as joint ventures and associates, recorded disposal gain of RMB4,261,335,000 during the year ended 31 December 2021. Details of the disposal transactions are as follows:

	2021 RMB'000
Total net assets of the Disposal Projects	6,211,783
Gains from disposal of subsidiaries	4,261,335
	10,473,118
Disposal considerations	
Cash received	4,990,716
Remaining unpaid acquisition consideration of a subsidiary disposed of	60,774
Consideration receivable	5,000
Fair value of remaining equity interests in the Disposed Projects	5,416,628
	10,473,118

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

	2021 RMB'000
Cash proceeds from disposal, net of cash disposed of cash consideration received	4,990,716
Less:	
Cash and cash equivalents in the Disposal Projects	(2,371,211)
Advances from disposal of the subsidiaries received in prior years	(4,687,716)
Net cash outflow on disposals	(2,068,211)

41 Notes to the consolidated statement of cash flows

(i) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB85,369,000 (2021: RMB227,657,000) and RMB85,369,000 (2021: RMB227,657,000), respectively, in respect of lease arrangements for properties.

(ii) Changes in liabilities arising from financing activities

	Borrowings RMB'000	Other payables — related parties RMB'000	Other payable — non- controlling interests and third parties RMB'000	Lease liabilities RMB'000	Dividends payable RMB'000
At 1 January 2022	83,874,045	15,143,842	9,593,181	564,476	89,939
Cash flows					
— Inflow from financing activities	7,813,816	1,751,252	880,464	-	-
— Outflow from financing activities	(33,397,928)	(4,686,989)	(6,037,362)	(211,435)	(549,312)
Non-cash changes					
— Exchange gain and financing amortisation recognised	2,939,100	-	-	-	-
— Acquisition of subsidiaries	920,000	-	-	-	-
— Disposal of a subsidiary	(2,238,715)	-	-	-	-
— Disposal of a joint venture	-	(157,500)	-	-	-
— Classified as held for sale	(124,029)	-	-	-	-
— Addition of lease liabilities	-	-	-	85,369	-
— Early termination of lease liabilities	-	-	-	(105,912)	-
— Accrued dividends	-	-	-	-	596,522
— Other non-cash movements	(300,000)	-	-	-	-
At 31 December 2022	59,486,289	12,050,605	4,436,283	332,498	137,149

41 Notes to the consolidated statement of cash flows (continued)

(ii) Changes in liabilities arising from financing activities (continued)

	Borrowings RMB'000	Other payables — related parties RMB'000	Other payable — non- controlling interests and third parties RMB'000	Lease liabilities RMB'000	Dividends payable RMB'000
At 1 January 2021	97,812,766	12,914,816	5,445,480	636,938	53,718
Cash flows					
— Inflow from financing activities	42,952,498	5,573,809	7,639,745	-	-
— Outflow from financing activities	(52,236,082)	(3,541,834)	(3,492,044)	(324,525)	(4,212,809)
Non-cash changes					
— Exchange gain and financing amortisation recognised	(627,514)	-	-	35,673	-
— Acquisition of subsidiaries	244,718	-	-	37,930	-
— Disposal of a subsidiary	(2,776,500)	442,051	-	(26)	-
— Disposal of a joint venture	-	(245,000)	-	-	-
— Classified as held for sale	(636,124)	-	-	-	-
— Classified as derivatives	(68,729)	-	-	-	-
— Classified as other reserves	(758,459)	-	-	-	-
— Addition of lease liabilities	-	-	-	178,486	-
— Accrued dividends	-	-	-	-	4,249,030
— Other non-cash movements	(32,529)	-	-	-	-
At 31 December 2021	83,874,045	15,143,842	9,593,181	564,476	89,939

41 Notes to the consolidated statement of cash flows (continued)

(iii) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2022	2021
	RMB'000	RMB'000
Within operating activities	124,098	84,069
Within financing activities	211,435	324,525
Total cash outflow for leases	335,533	408,594

42 Financial guarantees

	2022	2021
	RMB'000	RMB'000
Guarantee in respect of mortgage facilities for certain purchasers (note (a))	49,329,528	51,823,659
Guarantee in respect of borrowings of associates (note (b) and note 45(b))	1,979,894	2,189,666
Guarantee in respect of borrowings of joint ventures (note (c) and note 45(b))	4,608,779	8,271,345
Guarantees in respect of borrowings of third parties (note (d))	3,507,816	7,479,486
	59,426,017	69,764,156

- (a) The Group has cooperated with certain financial institutions to arrange mortgage loan facilities for its purchasers of properties and to provide guarantees to secure obligations of such purchasers for repayments. As at 31 December 2022, the outstanding guarantees amounted to RMB49,329,528,000 (2021: RMB51,823,659,000). Such guarantees will be discharged upon the earlier of (i) issuance of the real estate ownership certificate which will generally be available within one year after the purchasers take possession of the relevant property; and (ii) the satisfaction of relevant mortgage loan by purchasers.

Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with any accrued interests and penalties owed by the defaulted purchasers to the financial institutions, and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee starts from the dates when the mortgagees grant the mortgage loans. No provision has been made for the guarantees as the management is of the view that the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interests and penalties in case of any default in payments.

42 Financial guarantees (continued)

- (b) Several subsidiaries of the Group and other shareholders of associates have provided certain guarantees in proportion of their shareholding in associates in respect of loan facilities amounting to RMB2,922,720,000 (2021: RMB3,461,207,000). As at 31 December 2022, the Group's share of the guarantees amounted to RMB1,979,894,000 (2021: RMB2,189,666,000).
- (c) Several subsidiaries of the Group and joint venture partners have provided certain guarantees in proportion of their shareholding in certain joint ventures in respect of loan facilities amounting to RMB7,164,564,000 (2021: RMB12,903,536,000). As at 31 December 2022, the Group's share of the guarantees amounted to RMB4,608,779,000 (2021: RMB8,271,345,000).
- (d) As at 31 December 2022, the Group provided certain guarantees to certain independent third parties in respect of loan facilities amounting to RMB3,507,816,000 (31 December 2021: RMB7,479,486,000).

43 Pledge of assets

Details of the Group's assets pledged for the Group's borrowings are included in note 32 to the financial statements.

44 Commitments

Capital commitments

The Group had the following capital commitments as at 31 December 2022:

	2022 RMB'000	2021 RMB'000
Contracted but not provided for		
– Property development activities	10,873,280	21,751,212
– Acquisition of land use rights	3,410,027	3,568,142
– Property, plant and equipment	237,914	546,523
	14,521,221	25,865,877

45 Related party transactions

(a) Name and relationship with related parties

Name	Relationship
Full Choice Investments Limited	The ultimate holding Company of the Group
Top Coast Investment Limited	The immediate holding Company of the Group
The Founding Shareholders, including Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Madam. Luk Sin Fong, Fion, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei, and Mr. Chan Cheuk Nam (the "Founding Shareholders")	The Founding Shareholders are also the directors of the Company
Zhongshan Changjiang Golf Course (note(ii)) 中山長江高爾夫球場	Controlled by the Founding Shareholders
Zhongshan Agile Changjiang Hotel Co., Ltd. (note(ii)) 中山雅居樂長江酒店有限公司	Controlled by the Founding Shareholders
Hainan Agile Hanhai Hotel Management Co., Ltd. (note(ii)) 海南雅居樂瀚海酒店管理有限公司	Controlled by the Founding Shareholders
Foshan Yashun Real Estate Development Co., Ltd. (note (i) and note (ii)) 佛山雅順房地產開發有限公司	Associate of the Group
Foshan Changzhong Real Estate Development Co., Ltd. (note(ii)) 佛山市昌重房地產開發有限公司	Associate of the Group
Foshanshi Sanshuiqu Qingmei Real Estate Co.,Ltd. (note(ii)) 佛山市三水區擎美房地產有限公司	Associate of the Group
Foshan Yaxu Real Estate Development Co., Ltd. (note(ii)) 佛山雅旭房地產開發有限公司	Associate of the Group
Fuzhou Shengquan Real Estate Development Co., Ltd. (note(iii)) 福州盛全房地產開發有限公司	Associate of the Group
Sichuan Yacan Real Estate Development Co., Ltd. (note(ii)) 四川雅燦房地產開發有限公司	Associate of the Group
Jinzhongshi Jinhong Yubao Real Estate Development Co., Ltd. (note(ii)) 晉中市錦洪裕寶房地產開發有限責任公司	Associate of the Group
Nantong Xinya Real Estate Development Co., Ltd. (note(ii)) 南通新雅房地產開發有限公司	Associate of the Group

45 Related party transactions (continued)

(a) Name and relationship with related parties (continued)

Name	Relationship
Sichuan Yaheng Real Estate Development Co., Ltd. (note(ii)) 四川雅恒房地產開發有限公司	Associate of the Group
Nantongshi Tongzhouqu Dongju Land Co., Ltd. (note(ii)) 南通市通州區東居置業有限公司	Associate of the Group
Handan Yurong Real Estate Development Co., Ltd. (note(ii)) 邯鄲裕榮房地產開發有限公司	Associate of the Group
Wuxi Yahui Real Estate Development Co., Ltd. (note(ii)) 無錫雅輝房地產開發有限公司	Associate of the Group
Chengdu Xueling Corporation Management Co., Ltd. (note(ii)) 成都雪瓚企業管理有限公司	Associate of the Group
Kunming Yaxin Real Estate Development Co., Ltd. (note(ii)) 昆明雅欣房地產開發有限公司	Associate of the Group
Guangzhou Yajing Investment Co., Ltd. (note (ii)) 廣州雅景投資有限公司	Associate of the Group
Changzhou Jinya Real Estate Development Co., Ltd. (note (ii)) 常州勁雅房地產開發有限公司	Associate of the Group
Jinzhong Jintian Heyi Real Estate Development Co., Ltd. (note (ii)) 晉中錦添合意房地產開發有限公司	Associate of the Group
Huizhou Meiteng Project Management Co., Ltd. (note (ii)) 惠州美騰項目管理有限公司	Associate of the Group
Guangdong PRB BIO-TECH Co., Ltd. (note (ii)) 廣東珠江橋生物科技股份有限公司	Associate of the Group
Huizhou Zhongkai Water Investment Co., Ltd. (note (ii)) 惠州仲愷水務投資有限公司	Associate of the Group
Zhejiang Lvlong Eco Technology Co., Ltd. (note(ii)) 浙江綠龍生態科技有限公司	Associate of the Group
Guangzhou Yahong Real Estate Development Co., Ltd. (note (ii)) 廣州雅宏房地產開發有限公司	Associate of the Group
Guangzhou Haiya Investments Co., Ltd. (note (ii)) 廣州海雅投資有限公司	Associate of the Group

45 Related party transactions (continued)

(a) Name and relationship with related parties (continued)

Name	Relationship
Guangzhou Zhongjian Longyuetai Real Estate Co., Ltd. (note (ii)) 廣州中建瓏悅台置業有限公司	Associate of the Group
Guangzhou Yajing Real Estate Development Co., Ltd. (note (ii)) 廣州雅景房地產開發有限公司	Associate of the Group
Xuzhou Dexin Xuyun Real Estate Co., Ltd. (note (ii)) 徐州德信徐運置業有限公司	Associate of the Group
Meixian Jinhaimao Real Estate Development Co., Ltd. (note (ii)) 眉縣金海茂房地產開發有限公司	Associate of the Group
Zhenjiang Yarun Real Estate Development Co., Ltd. (note (i) and note (ii)) 鎮江雅潤房地產開發有限公司	Joint venture of the Group
Tianjin Jinnan Xincheng Real Estate Development Co., Ltd. (note(ii)) 天津津南新城房地產開發有限公司	Joint venture of the Group
Hainan Yacheng Real Estate Development Co., Ltd. (note (i) and note (ii)) 海南雅誠房地產開發有限公司	Joint venture of the Group
Zhongshan Yahong Real Estate Development Co., Ltd. (note(ii)) 中山市雅鴻房地產開發有限公司	Joint venture of the Group
Guangzhou Huadu Yazhan Realty Development Co., Ltd. (note(ii)) 廣州花都雅展房地產開發有限公司	Joint venture of the Group
Changsha Shangcheng Land Co., Ltd. (note(ii)) 長沙上城置業有限公司	Joint venture of the Group
Guangxi Fuya Investments Co., Ltd. (note(ii)) 廣西富雅投資有限公司	Joint venture of the Group
Charm Talent Limited	Joint venture of the Group

45 Related party transactions (continued)

(a) Name and relationship with related parties (continued)

Name	Relationship
Foshan Yazhan Property Development Co., Ltd. (note(ii)) 佛山雅展房地產開發有限公司	Joint venture of the Group
Zhongshan Zhili Land Co., Ltd. (note(ii)) 中山市志力置業有限公司	Joint venture of the Group
Zhongshan Minsen Real Estate Development Co., Ltd. (note(ii)) 中山市民森房地產發展有限公司	Joint venture of the Group
Hainan Yahong Travel Property Co., Ltd. (note(ii)) 海南雅宏旅遊置業有限公司	Joint venture of the Group
Zhongshan Yingxuan Real Estate Development Co., Ltd. (note(ii)) 中山市盈軒房地產開發有限公司	Joint venture of the Group
Foshan Zhongjiao Real Estate Development Co., Ltd. (note(ii)) 佛山中交房地產開發有限公司	Joint venture of the Group
Foshan Xiangsong Land Co., Ltd. (note(ii)) 佛山香頌置業有限公司	Joint venture of the Group
Hefei Changzhe Real Estate Development Co., Ltd. (note(ii)) 合肥昌哲房地產開發有限公司	Joint venture of the Group
Foshan Yuankai Real Estate Development Co., Ltd. (note (ii)) 佛山市遠凱房地產開發有限公司	Joint venture of the Group
Jinan Yaheng Real Estate Development Co., Ltd. (note (ii)) 濟南雅恒房地產開發有限公司	Joint venture of the Group
First Synergy Investment Limited	Joint venture of the Group
Guangzhou Zhixin Engineering Cost Consulting Co., Ltd. (note (ii)) 廣州至信工程造價諮詢有限公司	Joint venture of the Group
Shangqiu Chuanda Real Estate Development Co., Ltd. (note (ii)) 商丘川達房地產開發有限公司	Joint venture of the Group
Prism Ray Investment Limited	Joint venture of the Group

45 Related party transactions (continued)

(a) Name and relationship with related parties (continued)

Name	Relationship
Twin Drive Investment Limited	Joint venture of the Group
Qidong Xinya Real Estate Development Co., Ltd. (note (ii)) 啟東市信雅房地產開發有限公司	Joint venture of the Group
Qidong Longhe Real Estate Development Co., Ltd. (note (ii)) 啟東市龍禾房地產開發有限公司	Joint venture of the Group
Zhuji Xiangya Enterprise Management Consulting Partnership (Limited Partnership) (note (ii)) 諸暨市祥雅企業管理諮詢合夥企業（有限合夥）	Joint venture of the Group
Shenyang Yasong Real Estate Development Co., Ltd. (note (ii)) 瀋陽雅頌房地產開發有限公司	Joint venture of the Group
Shenyang Yajule Enterprise Management Consulting Co., Ltd. (note (ii)) 瀋陽雅居樂企業管理諮詢有限公司	Joint venture of the Group
Wuxi XinPan Real Estate Development Co., Ltd. (note (ii)) 無錫新盤房地產開發有限公司	Joint venture of the Group
Zhongshan Xinhao Yachuang Real Estate Development Co., Ltd. (note (ii)) 中山新濠雅創房地產開發有限公司	Joint venture of the Group
Nantong Haijia Real Estate Co., Ltd. (note (ii)) 南通海嘉置業有限公司	Joint venture of the Group
Guangzhou Zhongsheng Real Estate Co., Ltd. (note (ii)) 廣州市眾盛置業有限公司	Joint venture of the Group
Lianyungangshi Ganglong Land Co., Ltd. (note(ii)) 連雲港市港龍置業有限公司	Joint venture of the Group
Xuzhou Chuanda Real Estate Development Co., Ltd. (note(ii)) 徐州川達房地產開發有限公司	Joint venture of the Group

45 Related party transactions (continued)

(a) Name and relationship with related parties (continued)

Name	Relationship
Jiangmenshi Meishun Real Estate Development Co., Ltd. (note(ii)) 江門市美順房地產開發有限公司	Joint venture of the Group
Zhongshan Haide Real Estate Development Co., Ltd. (note (ii)) 中山市海德房地產開發有限公司	Joint venture of the Group
Gongyi Agile Land Co., Ltd. (note (ii)) 鞏義雅居樂置業有限公司	Joint venture of the Group
Yangzhou Yahao Business Management Co., Ltd. (note (ii)) 揚州雅昊商務管理有限公司	Joint venture of the Group
Hainan Yihai Rongsheng Real Estate Development Co., Ltd. (note (ii)) 海南伊海榮盛房地產開發有限公司	Joint venture of the Group
Huizhou Zhongyuan Enterprise Co., Ltd. (note (ii)) 惠州市仲元實業有限公司	Joint venture of the Group
Qidong Hilme Trading Co., Ltd. (note (ii)) 啟東希爾美貿易有限公司	Joint venture of the Group
Qidong Bolme Trading Co., Ltd. (note (ii)) 啟東博爾美貿易有限公司	Joint venture of the Group
Guangdong Xinmeiju Real Estate Development Co., Ltd. (note (ii)) 廣東新美居房地產發展有限公司	Joint venture of the Group
Yangzhou Yayue Real Estate Development Co., Ltd. (note (ii)) 揚州雅悅房地產開發有限公司	Joint venture of the Group
Tianjin Yayi Real Estate Development Co., Ltd. (note (ii)) 天津雅逸房地產開發有限公司	Joint venture of the Group
Shaoxing Xiangya Real Estate Development Co., Ltd. (note (ii)) 紹興祥雅房地產開發有限公司	Joint venture of the Group
Jianyang Hexu Real Estate Development Co., Ltd. (note (ii)) 簡陽合煦房地產開發有限公司	Joint venture of the Group
Xingyang Yaheng Land Co., Ltd. (note (ii)) 滎陽市雅恒置業有限公司	Joint venture of the Group

45 Related party transactions (continued)

(a) Name and relationship with related parties (continued)

Name	Relationship
Chongqing Meinan Land Co., Ltd. (note (ii)) 重慶美南置業有限公司	Joint venture of the Group
Zhongshan Yachen Corporation Management Co., Ltd. (note (ii)) 中山雅辰企業管理有限公司	Joint venture of the Group
Chongqing Beijia Corporation Co., Ltd. (note (ii)) 重慶碯家企業管理有限公司	Joint venture of the Group
Hangzhou Dongliang Enterprise Management Co., Ltd.(note (ii)) 杭州東良企業管理有限公司	Joint venture of the Group
Kaifeng Guokong Songdu Land Co., Ltd. (note(ii)) 開封國控宋都置業有限公司	Joint venture of the Group
Jiaxing Xingya Real Estate Development Co., Ltd. (note(ii)) 嘉興興雅房地產開發有限公司	Joint venture of the Group
Xuzhou Yafeng Real Estate Development Co., Ltd. (note(ii)) 徐州雅豐房地產開發有限公司	Joint venture of the Group
Meizhou Zhongnan Yusheng Real Estate Development Co., Ltd. (note(ii)) 梅州中南昱晟房地產開發有限公司	Joint venture of the Group
Jiangxi Jianda Investment Co., Ltd. (note(ii)) 江西建大投資有限公司	Joint venture of the Group
Fujian Chuxin Eco Technology Co., Ltd. (note(ii)) 福建省儲鑫環保科技有限公司	Joint venture of the Group
Jinzhong Xiya Real Estate Development Co., Ltd. (note(ii)) 晉中熙雅房地產開發有限公司	Joint venture of the Group
Wuhu Yaxu Real Estate Development Co., Ltd. (note(ii)) 蕪湖雅旭房地產開發有限公司	Joint venture of the Group
Chenzhou Agile Real Estate Development Co., Ltd. (note(ii)) 郴州雅居樂房地產開發有限公司	Joint venture of the Group
Chongqing Jinbi Agile Real Estate Development Co., Ltd. (note(ii)) 重慶金碧雅居房地產開發有限公司	Joint venture of the Group

45 Related party transactions (continued)

(a) Name and relationship with related parties (continued)

Name	Relationship
Kaifeng Fenghui Land Co., Ltd. (note (ii)) 開封豐輝置業有限公司	Joint venture of the Group
Huizhou Huiyang Agile Real Estate Development Co., Ltd. (note (ii)) 惠州市惠陽雅居樂房地產開發有限公司	Joint venture of the Group
Tianjin Ruiya Real Estate Development Co., Ltd. (note(ii)) 天津瑞雅房地產開發有限公司	Joint venture of the Group
Chongqing Huayu Yefeng Enterprise Development Co., Ltd. (note (ii)) 重慶華宇業豐實業有限公司	Joint venture of the Group
Henry Fischer Real Estate Co., Limited	Joint venture of the Group
Huizhou Egret Lake Tourist Tour Industry Opening Co., Ltd. (note (ii)) 惠州白鷺湖旅遊實業開發有限公司	Joint venture of the Group
Xuzhou Jialefang Land Development Co., Ltd. (note (ii)) 徐州佳樂房地產開發有限公司	Joint venture of the Group
Weihai Yalan Investment and Development Co., Ltd. (note (ii)) 威海雅藍投資開發有限公司	Joint venture of the Group
Wuxi Yayuan Real Estate Development Co., Ltd. (note (ii)) 無錫雅遠房地產開發有限公司	Joint venture of the Group
Nanjing Yinyan Real Estate Development Co., Ltd. (note (ii)) 南京銀雁房地產開發有限公司	Joint venture of the Group
Guangzhou Baiquan Construction Engineering Co., Ltd. (note (ii)) 廣州佰全建築工程有限公司	Joint venture of the Group
Shanwei Agile Real Estate Development Co., Ltd. (note (ii)) 汕尾市雅居樂房地產開發有限公司	Joint venture of the Group
Zhuhai Yahan Real Estate Development Co., Ltd. (note (ii)) 珠海市雅瀚房地產開發有限公司	Joint venture of the Group

45 Related party transactions (continued)

(a) Name and relationship with related parties (continued)

Name	Relationship
Zhongshan Yachen Real Estate Development and Operation Co., Ltd.(note (ii)) 中山市雅琛房地產開發經營有限公司	Joint venture of the Group
Guangxi Yashun Real Estate Development Co., Ltd. (note (ii)) 廣西雅順房地產開發有限公司	Joint venture of the Group
Guangxi Yakai Real Estate Development Co., Ltd. (note (ii)) 廣西雅凱房地產開發有限公司	Joint venture of the Group
Beihai Yagang Real Estate Development Co., Ltd. (note (ii)) 北海雅港房地產開發有限公司	Joint venture of the Group
Tongxiang Anyue Real Estate Co., Ltd (note (ii)) 桐鄉市安悅置業有限公司	Joint venture of the Group
Beihai Yaguang Real Estate Development Co., Ltd. (note (ii)) 北海雅廣房地產開發有限公司	Joint venture of the Group
Guangzhou Zhenmei Architectural Design Co., Ltd. (note (ii)) 廣州臻美建築設計有限公司	Joint venture of the Group
Henan Yafu Real Estate Co., Ltd. (note (ii)) 河南雅福置業有限公司	Joint venture of the Group
Beihai Yazheng Real Estate Development Co., Ltd. (note (ii)) 北海雅正房地產開發有限公司	Joint venture of the Group
Zhuhai Yahao Real Estate Development Co., Ltd. (note (ii)) 珠海市雅灝房地產開發有限公司	Joint venture of the Group
Huizhou Yachuang Real Estate Development Co., Ltd. (note (ii)) 惠州市雅創房地產開發有限公司	Joint venture of the Group
Qidong Yahong Real Estate Development Co., Ltd. (note (ii)) 啟東市雅宏房地產開發有限公司	Joint venture of the Group
Wuxi Yaxiang Real Estate Development Co., Ltd. (note (ii)) 無錫雅祥房地產開發有限公司	Joint venture of the Group
Shijiazhuang Qingda Real Estate Development Co., Ltd. (note (ii)) 石家莊青達房地產開發有限公司	Joint venture of the Group

45 Related party transactions (continued)

(a) Name and relationship with related parties (continued)

Name	Relationship
Chongqing Beitianqin Enterprise Management Consulting Co., Ltd. (note (iii)) 重慶北天秦企業管理諮詢有限公司	Joint venture of the Group
Henan Yajing Real Estate Co., Ltd. (note (ii)) 河南雅景置業有限公司	Joint venture of the Group
Heyuan Jiangya Real Estate Development Co., Ltd. (note (iii)) 河源市江雅房地產開發有限公司	Joint venture of the Group
Changzhou Jiamao Real Estate Development Co., Ltd. (note (ii)) 常州嘉茂置業發展有限公司	Joint venture of the Group
Changzhou Jiahong Zhichen Real Estate Development Co., Ltd. (note (ii)) 常州嘉宏致辰置業發展有限公司	Joint venture of the Group
Xiamen Yazhan Real Estate Development Co., Ltd. (note (iii)) 廈門雅展房地產開發有限公司	Joint venture of the Group
Shaoxing Xiangsheng Hongxing Real Estate Development Co., Ltd. (note (ii)) 紹興祥生弘興房地產開發有限公司	Joint venture of the Group
Wuxi Xinshi Yajia Real Estate Development Co., Ltd. (note (ii)) 無錫新石雅嘉置業發展有限公司	Joint venture of the Group
Changzhou Jiahong Nancheng Real Estate Development Co., Ltd. (note (iii)) 常州嘉宏南城置業發展有限公司	Joint venture of the Group
Gongqing-Aliving Investment Management Partnership (Limited Partnership) (note (ii)) 共青城雅生活投資管理合夥企業(有限合夥)	Controlled by a key management personnel of the Group
Gongqing-Yagao Investment Management Co., Ltd. (note (ii)) 共青城雅高投資管理有限公司	Controlled by a key management personnel of the Group

45 Related party transactions (continued)

(a) Name and relationship with related parties (continued)

Name	Relationship
Atlas (China) Co., Ltd. (“Atlas (China)”) (note (ii)) 寰圖(中國)有限公司	Significantly influenced by the close family member of the Founding Shareholders
Atlas (Beijing) Business Development Co., Ltd (note (ii)) 寰圖(北京)商務發展有限公司	Significantly influenced by the close family member of the Founding Shareholders
Atlas (Shanghai) Business Services Co., Ltd (note (ii)) 寰圖(上海)商務服務有限公司	Significantly influenced by the close family member of the Founding Shareholders
Atlas (Guangzhou) Business Development Co., Ltd (note (ii)) 寰圖(廣州)商務發展有限公司	Significantly influenced by the close family member of the Founding Shareholders
Atlas (Xi'an) Business Services Co., Ltd (note (iii)) 寰圖(西安)商務服務有限公司	Significantly influenced by the close family member of the Founding Shareholders
Atlas (Guangzhou) Business Services Co., Ltd (note (ii)) 寰圖(廣州)商業服務有限公司	Significantly influenced by the close family member of the Founding Shareholders
Huanhui (Tianjin) Business Management Second Branch Co., Ltd (note (ii)) 寰匯商業管理(天津)有限公司廣州第二分公司	Significantly influenced by the close family member of the Founding Shareholders
Atlas (Shenzhen) Business Development Co., LTD (note (ii)) 寰圖(深圳)商務發展有限公司	Significantly influenced by the close family member of the Founding Shareholders
Atlas (Guangzhou) Business Development First Branch Co., Ltd (note (ii)) 寰圖(廣州)商務發展有限公司第一分公司	Significantly influenced by the close family member of the Founding Shareholders

45 Related party transactions (continued)

(a) Name and relationship with related parties (continued)

Name	Relationship
Huanshao (Shanghai) Business Services Co., Ltd (note (ii)) 寰紹(上海)商務服務有限公司	Significantly influenced by the close family member of the Founding Shareholders
Huanlun (Shanghai) Business Services Co., Ltd (note (ii)) 寰倫(上海)商務服務有限公司	Significantly influenced by the close family member of the Founding Shareholders
Atlas (Guangzhou) Company Services Co., LTD (note (ii)) 寰圖(廣州)企業服務有限公司	Significantly influenced by the close family member of the Founding Shareholders
Atlas (China) Zhujiang New Town Branch Co., Ltd. (note (ii)) 寰圖(中國)有限公司廣州珠江新城分公司	Significantly influenced by the close family member of the Founding Shareholders
Circle Complex Limited (note (ii)) 圓集團有限公司	Significantly influenced by the close family member of the Founding Shareholders
Zone Set (Hong Kong) Limited (note (ii)) 域置(香港)有限公司	Significantly influenced by the close family member of the Founding Shareholders
Zhongshan Boting Business Management Co., Ltd. (note (ii)) 中山市柏霆商業管理有限公司	Significantly influenced by the close family member of the Founding Shareholders
Poseidon Management Company Limited	Significantly influenced by the close family member of the Founding Shareholders
陳思揚 (Mr. Chen Si Yang)	The close family member of the Founding Shareholders

45 Related party transactions (continued)

(a) Name and relationship with related parties (continued)

Name	Relationship
陳思樂 (Mr. Chen Si Le)	The close family member of the Founding Shareholders
陸燕平 (Madam. Lu Yan Ping)	The close family member of the Founding Shareholders
陸麗卿 (Madam. Lu Li Qing)	The close family member of the Founding Shareholders

Notes:

- (i) The additional companies represent the new investments in associates and joint ventures of the Group during the year.
- (ii) The names of the companies represent management's best efforts at translating the Chinese names of these companies, as no English names have been registered or available.

45 Related party transactions (continued)

(b) Transactions with related parties

(i) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the year:

	2022 RMB'000	2021 RMB'000
Office service fee charged by Atlas (China) (note(a))	233,319	324,469
Golf facilities service fee charged by Zhongshan Changjiang Golf Course (note(a))	7,108	12,714
Restaurant and hotel service fees charged by Zhongshan Agile Changjiang Hotel Co., Ltd. (note(a))	1,035	1,929
	241,462	339,112

	2022 RMB'000	2021 RMB'000
Rental income from Atlas (China) (note (a))	115,048	104,474

	2022 RMB'000	2021 RMB'000
Loans made to related parties		
– Associates	64,235	673,522
– Joint ventures	216,041	1,362,431
	280,276	2,035,953

	2022 RMB'000	2021 RMB'000
Repayment of loans by related parties		
– Associates	742,843	216,967
– Joint ventures	131,700	658,018
	874,543	874,985

	2022 RMB'000	2021 RMB'000
Interest income from (note(b))		
– Associates	52,083	223,931
– Joint ventures	51,765	138,013
	103,848	361,944

	2022 RMB'000	2021 RMB'000
Provision of construction services to		
– Associates	86,712	122,435
– Joint ventures	2,113,154	2,187,480
	2,199,866	2,309,915

	2022 RMB'000	2021 RMB'000
Disposal of equity interest to		
– Joint venture	849,000	–

45 Related party transactions (continued)

(b) Transactions with related parties (continued)

(i) (continued)

Notes:

(a) Office service fee, golf facilities services fee, restaurant and hotel services fee and rental fees were charged in accordance with the terms of the underlying agreements which, in the opinion of the directors, were determined with reference to the market price at the prescribed year. In the opinion of the directors of the Company, the above related party transactions were carried out in the normal course of business and at terms mutually negotiated between the respective related parties and the Group.

(b) Interest income were charged in accordance with the terms of the loan contracts signed between the respective related parties and the Group.

(ii) Key management compensation

	2022	2021
	RMB'000	RMB'000
Salaries and other short-term employee benefits	20,781	31,239
Retirement scheme contributions	212	161
	20,993	31,400

Further details of directors' and the chief executive officer's emoluments are included in note 8 to the financial statements.

(iii) The Group have provided guarantees for borrowings of certain joint ventures and associates of RMB6,588,673,000 as at 31 December 2022 (31 December 2021: RMB10,461,011,000) (note 42).

45 Related party transactions (continued)

(c) Balances with related parties

As at 31 December 2022 and 2021, the Group had the following significant trade and non-trade balances with related parties:

	2022 RMB'000	2021 RMB'000
Trade receivables due from (note(i))		
— Joint ventures	2,644,462	2,278,591
— Associates	46,364	54,880
	2,690,826	2,333,471
Other receivables due from (note(ii))		
— Joint ventures	18,908,878	18,584,260
— Associates	1,035,207	1,146,336
— Other related parties	358,459	274,951
	20,302,544	20,005,547
Loan and interest receivables due from (note(ii))		
— Associates	2,229,847	2,921,548
— Joint ventures	738,744	2,151,897
	2,968,591	5,073,445
Other payables due to (note(i))		
— Associates	1,575,308	2,142,727
— Joint ventures	8,176,763	10,831,054
— Other related parties	2,298,534	2,170,061
	12,050,605	15,143,842
Contract liabilities		
— Associates	1,609	849
— Joint ventures	79,281	74,188
	80,890	75,037

Notes:

- (i) The balances are cash advances and trade receivables in nature, which are unsecured and interest free.
- (ii) The balances are loan receivables and interest from associates and joint ventures, which are unsecured and interest bearing. The effective interest rate ranges from 4.35% to 15% per annum (2021: 4.35%-15%).

46 Financial instruments by category

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

	2022 RMB'000	2021 RMB'000
Financial assets at amortised cost		
– Trade and other receivables excluding prepaid value added taxes and other taxes and prepayments (note 25)	66,746,008	61,644,786
– Restricted cash (note 27)	7,628,349	15,617,768
– Cash and cash equivalents (note 28)	8,463,079	22,802,716
Financial assets at FVPL (note 21)	2,846,949	2,811,395
Financial assets at FVOCI (note 20)	32,093	43,368
	85,716,478	102,920,033

Financial liabilities

	2022 RMB'000	2021 RMB'000
Financial liabilities at amortised cost		
– Borrowings (note 32)	59,486,289	83,874,045
– Trade and other payables, excluding staff welfare benefit payable, other taxes payable and advances from disposal of equity interests (note 29)	58,281,848	63,688,216
– Lease liabilities (note 16)	332,498	564,476
Financial liabilities at FVPL (note 31)	578,928	601,671
	118,679,563	148,728,408

47 Fair value and fair value hierarchy of financial instruments

The carrying amounts of the Group's financial instruments as at 31 December 2022 and 2021 approximated to their fair values.

Management has assessed that the fair values of cash and cash equivalents, restricted cash, the current portion of trade and other receivables and the current portion of financial liabilities included in trade and other payables, lease liabilities and borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

47 Fair value and fair value hierarchy of financial instruments (continued)

The fair values of the non-current portion of other receivables, other payable, lease liabilities and borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for borrowings as at 31 December 2022 and 2021 were assessed to be insignificant. The fair value of the liability portion of the exchangeable bonds is estimated by discounting the expected future cash flows using an equivalent market interest rate for a similar exchangeable bond with consideration of the Group's own non-performance risk.

The fair values of listed equity investments are based on quoted market prices. The fair values of other financial assets at FVPL in level 3 have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and to calculate an appropriate price multiple.

The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in profit or loss, are reasonable, and that they were the most appropriate values at the end of the reporting period.

The Group invests in unlisted equity investments at FVOCI and wealth management products issued by financial institutions in Mainland China and Malaysia. The Group has estimated the fair value of these unlisted investments based on the market interest rates of instruments with similar terms and risks.

The Group enters into derivative financial instruments with various counterparties, principally banks in Hong Kong. Derivative financial instruments, including forward currency contracts, are measured using valuation techniques similar to forward pricing models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates. The carrying amounts of forward currency contracts are the same as their fair values.

For the fair value of the unlisted equity and debt investments at fair value through profit or loss, management has estimated the potential effect of using reasonably possible alternatives as inputs to the valuation model.

47 Fair value and fair value hierarchy of financial instruments (continued)

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2022 and 2021:

31 December 2022

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted equity investments	Market approach	Volatility	70.27% to 74.32%	The higher volatility, the higher fair value
		Price-to-sales (P/S)	0.93 to 10.12	The higher price-to-sales, the higher fair value
		Discount for lack of marketability (DLOM)	15.00%	The higher DLOM, the lower fair value
	Asset-based approach	Market unit sale rate (RMB/square meter)	69,428 to 77,250	The higher sale rate, the higher fair value
	Guideline public companies method	Market unit sale rate (RMB/square meter)	75,852 to 83,395	The higher sale rate, the higher fair value
		Market unit sale rate (RMB)	450,000 to 500,000	The higher sale rate, the higher fair value
Put option of exchangeable bond	Binary tree model	Volatility	62.90%	The higher volatility, the higher fair value
		Expected interest rate per annum	2.70%	The higher expected interest rate per annum, the higher fair value
	Discounted cashflow model	Yield rate (floating)	0.17%	The higher yield rate, the higher fair value
		Income approach	Expected interest rate per annum	7.2%
Contingent consideration	Discounted cashflow model	Expected net profit	RMB42,726,000-414,960,000	The higher expected net profit, the lower fair value
Financial liabilities for put options	Discounted cashflow model	Expected discount rate	16.1%-16.3%	The higher expected discount rate, the lower fair value

47 Fair value and fair value hierarchy of financial instruments (continued)

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2022 and 2021: (continued)

31 December 2021

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted equity investments and debt investments	Market approach	Volatility	64.2% to 71.0%	The higher volatility, the higher fair value
		Price-to-sales (P/S)	1.9 to 17.5	The higher Price-to-sales, the higher fair value
		Discount for lack of marketability (DLOM)	20.00%	The higher DLOM, the lower fair value
	Asset-based approach	Market unit sale rate (RMB/square meter)	69,080 to 74,503	The higher sale rate, the higher fair value
	Guideline public companies method	Market unit sale rate (RMB/square meter)	71,035 to 79,000	The higher sale rate, the higher fair value
		Market unit sale rate (RMB/square meter)	5,829 to 7,819	The higher sale rate, the higher fair value
Market unit sale rate (RMB)		460,000 to 500,000	The higher sale rate, the higher fair value	
Expected net profit		RMB21,294,000	The higher expected net profit, the higher fair value	
Put option of exchangeable bond	Binary tree model	Volatility	62.90%	The higher volatility, the higher fair value
Wealth management products	Discounted cashflow model	Expected interest rate per annum	4.0%	The higher expected interest rate per annum, the higher fair value
Structural deposits	Discounted cashflow model	Expected interest rate per annum	2.8%	The higher expected interest rate per annum, the higher fair value
Contingent consideration	Discounted cashflow model	Expected net profit	RMB43,953,000-414,960,000	The higher expected net profit, the lower fair value
Financial liabilities for put options	Discounted cashflow model	Expected discount rate	16.1%-16.3%	The higher expected discount rate, the lower fair value

The discount for lack of marketability represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investment.

47 Fair value and fair value hierarchy of financial instruments (continued)

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method, at 31 December 2022 and 2021. The disclosure relating to the investment properties which are measured at fair value are stated in note 15.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
At 31 December 2022				
Financial assets				
Financial assets at FVPL				
– Hong Kong listed equity securities	3,247	–	–	3,247
– Unlisted equity investments	–	–	1,479,246	1,479,246
– Wealth management products	–	–	1,361,218	1,361,218
– Others	–	–	3,238	3,238
Financial assets at FVOCI				
– Unlisted equity investments	–	–	32,093	32,093
Total financial assets	3,247	–	2,875,795	2,879,042
Financial liabilities				
Financial liabilities at FVPL				
– Derivative financial instruments	–	158,634	–	158,634
– Put options	–	–	420,294	420,294
Total financial liabilities	–	158,634	420,294	578,928
At 31 December 2021				
Financial assets				
Financial assets at FVPL				
– Hong Kong listed equity securities	40,841	–	–	40,841
– Unlisted equity and debt investments	–	–	2,128,290	2,128,290
– Wealth management products	–	–	561,537	561,537
– Derivative financial instruments	–	1,607	–	1,607
– Others	–	–	79,120	79,120
Financial assets at FVOCI				
– Unlisted equity investments	–	–	43,368	43,368
Total financial assets	40,841	1,607	2,812,315	2,854,763
Financial liabilities				
Financial liabilities at FVPL				
– Derivative financial instruments	–	363,722	–	363,722
– Put options	–	–	237,949	237,949
Total financial liabilities	–	363,722	237,949	601,671

47 Fair value and fair value hierarchy of financial instruments (continued)

The following table presents the changes in level 3 items:

	Financial assets RMB'000	Financial liabilities RMB'000
At 1 January 2021	1,130,965	(94,775)
Additions	23,905,195	(68,729)
Gains recognised in other gains, net	184,517	(59,532)
Gains recognised in other comprehensive income	5,018	-
Finance costs	-	(14,913)
Disposal	(15,653)	-
Addition through business combinations	32,875	-
Redemption of wealth management products	(22,430,602)	-
At 31 December 2021 and 1 January 2022	2,812,315	(237,949)
Additions	5,640,351	-
Losses recognised in other gains, net	(752,821)	(176,456)
Losses recognised in other comprehensive income	(11,275)	-
Finance costs	-	(5,889)
Disposal	(380,360)	-
Redemption of wealth management products	(4,432,415)	-
At 31 December 2022	2,875,795	(420,294)

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2021: nil).

48 Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The property industry is highly sensitive to the economic environment in the PRC. The Group finances its operations from shareholders' fund, sales of properties, issuance of senior notes, bank and other borrowings and perpetual capital securities. The Group has alternative plans to monitor liquidity risk should there be significant adverse changes on the Group's cash flow projections.

(a) Currency risk

The Group's businesses are principally conducted in RMB, except that certain receipts of proceeds from sales of properties, financial asset at FVPL, senior notes, exchangeable bonds, bank borrowings and syndicated loans are in other currencies. As at 31 December 2022, major non-RMB assets and liabilities are cash and cash equivalents, senior notes, exchangeable bonds, bank borrowings and syndicated loans denominated in HK dollar ("HK\$"), US dollar ("USD"), Macao Pataca ("MOP") and other currencies. Fluctuation of the exchange rates of RMB against foreign currencies could affect the Group's results of operations. The Group has entered into several forward exchange contracts to limit its exposure to foreign exchange risk during the year ended 31 December 2022.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the respective balance sheet dates are as follows:

	Group	
	2022 RMB'000	2021 RMB'000
Monetary assets		
– HK\$	738,432	2,821,915
– USD	5,581,590	1,842,310
– Others	6,440	1,259
	6,326,462	4,665,484
Monetary liabilities		
– HK\$	14,644,608	18,188,547
– USD	17,240,523	24,503,039
– MOP	693,889	653,926
	32,579,020	43,345,512

48 Financial risk management objectives and policies (continued)

(a) Currency risk (continued)

The following table shows the sensitivity analysis of a 5% change in RMB against the relevant foreign currencies. The sensitivity analysis includes only foreign currency denominated monetary items and adjusts their translation at the year-end for a 5% change in foreign currency rates. If there is a 5% increase/(decrease) in RMB against the relevant currencies, the major effect of increase/(decrease) in the profit for the year is as follows:

	Group	
	2022 RMB'000	2021 RMB'000
5% increase in RMB against HK\$	695,692	768,708
5% decrease in RMB against HK\$	(695,692)	(768,708)
5% increase in RMB against USD	583,034	1,135,005
5% decrease in RMB against USD	(583,034)	(1,135,005)
5% increase in RMB against MOP	34,694	32,696
5% decrease in RMB against MOP	(34,694)	(32,696)

(b) Interest rate risk

The Group's exposure to changes in interest rates is mainly attributable to its borrowings with variable rates exposing the Group to cash flow interest-rate risk. Borrowings with fixed rate, mainly included senior notes, bonds and other borrowings, expose the Group to fair value interest rate risk. The Group closely monitors trend of interest rate and its impact on the Group's interest rate risk exposure.

As at 31 December 2022 and 2021, if interest rates on borrowings had been 100 basis points higher or lower with all other variables held constant, interest charges for the years ended 31 December 2022 and 2021 would increase or decrease by RMB288,813,000 and RMB446,312,000 respectively, mainly as a result of higher or lower interest expense on floating rate borrowings.

(c) Credit risk

The Group is exposed to credit risk in relation to its contract asset, trade and other receivables, cash deposits with banks and financial guarantees. The carrying amounts of contract assets, trade and other receivables, restricted cash, cash and cash equivalents, financial guarantees provided to related companies and guarantees on mortgage facilities represent the Group's maximum exposure to credit risk in relation to financial assets.

For contract assets and trade and other receivables, the management of the Group has monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverability of these receivables at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group expects that there is no significant credit risk associated with cash deposits at banks since they are substantially deposited at state-owned banks and other medium or large-sized listed banks. Management does not expect that there will be any significant losses from non-performance by these counter parties.

48 Financial risk management objectives and policies (continued)

(c) Credit risk (continued)

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- Actual or expected significant changes in the operating results of individual property owner or the borrower
- Significant increases in credit risk on other financial instruments of the individual property owner or the borrower
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December.

2022

	12-month ECLs		Lifetime ECLs		Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	
Contract assets	-	-	-	4,226,017	4,226,017
Trade and other receivables (excluding prepayments and prepaid value added taxes)	55,182,853	890,201	712,790	12,898,486	69,684,330
Restricted cash	7,628,349	-	-	-	7,628,349
Cash and cash equivalents	8,463,079	-	-	-	8,463,079

48 Financial risk management objectives and policies (continued)

(c) Credit risk (continued)

Maximum exposure and year-end staging (continued)

2021

	12-month ECLs		Lifetime ECLs		Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	
Contract assets	–	–	–	5,160,903	5,160,903
Trade and other receivables (excluding prepayments and prepaid value added taxes)	48,001,972	1,491,572	75,000	13,523,166	63,091,710
Restricted cash	15,617,768	–	–	–	15,617,768
Cash and cash equivalents	22,802,716	–	–	–	22,802,716

For trade receivables and contract assets to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 25 to the financial statements.

As at 31 December 2022, the gross carrying amount of contract assets and trade and other receivables (excluding prepayments and prepaid value added taxes) was RMB73,910,347,000 (2021: RMB68,252,613,000) and the loss allowance provision of RMB3,000,022,000 (2021: RMB1,457,207,000) was made thus the maximum exposure to loss was RMB70,910,325,000 (2021: RMB66,795,406,000). During the year ended 31 December 2022, the Group provided certain guarantees to certain third parties in respect of their loan facilities. As at 31 December 2022, save for the amounts disclosed in note 42, there was no other outstanding guarantee.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

48 Financial risk management objectives and policies (continued)

(d) Liquidity risk

Management aims at maintaining sufficient cash to meet funding requirement for operations and monitors rolling forecasts of the Group's cash on the basis of expected cash flow. The directors of the Company have prepared cash flow projections for the year ending 31 December 2023. Key assumptions used in the preparation of the cash flow projections for the year ending 31 December 2023 include: (1) proceeds from pre-sales of 2023 would subject to reasonable decrease according to market condition; (2) construction payments match receipt of the relevant proceeds from pre-sales; (3) the Group will alter the land acquisition plan according to the market situation and cash surplus; and (4) available project loan facility is expected to cover the predicted bank and other borrowings to be obtained.

The Group has a number of alternative plans to mitigate the potential impacts on anticipated cash flows should there be significant adverse changes in economic environment. These include control on investment in land bank, adjusting project development timetable to adapt the changing local real estate market environment, implementing cost control measures, promotion of sales of completed properties, accelerating sales with more flexible pricing, disposing of non-core properties and buildings, obtaining financial support from the founding shareholder etc. The Group will pursue such options basing on its assessment of relevant future costs and benefits. The directors of the Company consider that the Group will be able to maintain sufficient financial resources to meet its operation needs.

The table below analyses the Group's financial liabilities maturity profile and derivative financial instruments at the balance sheet date. The amounts disclosed thereon are the contractual undiscounted cash flows. Balances due within 12 months from the balance sheet date equal to their carrying amounts in the balance sheets, as the impact of discount should not be significant.

Contractual maturities of financial liabilities	On demand or less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
At 31 December 2022					
Non-derivatives					
Borrowings	27,229,856	15,393,376	18,667,561	7,725,028	69,015,821
Trade and other payables (*)	52,781,006	3,196,360	1,424,825	879,657	58,281,848
Lease liabilities	202,852	89,560	81,928	28,092	402,432
Financial guarantee	4,525,909	3,433,324	658,256	1,479,000	10,096,489
Total non-derivatives	84,739,623	22,112,620	20,832,570	10,111,777	137,796,590
Derivatives					
Gross settled (forward foreign exchange contracts)					
— (inflow)	(14,798)	(2,062)	-	-	(16,860)
— outflow	-	175,494	-	-	175,494
Financial liabilities for put options	144,333	-	-	-	144,333
	129,535	173,432	-	-	302,967
	84,869,158	22,286,052	20,832,570	10,111,777	138,099,557

48 Financial risk management objectives and policies (continued)**(d) Liquidity risk (continued)**

Contractual maturities of financial liabilities	On demand or less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
At 31 December 2021					
Non-derivatives					
Borrowings	38,403,467	17,378,194	38,011,522	4,874,774	98,667,957
Trade and other payables (*)	59,178,277	3,148,689	1,424,825	-	63,751,791
Lease liabilities	309,425	168,031	96,975	36,034	610,465
Financial guarantee	8,278,271	3,608,531	4,026,695	2,027,000	17,940,497
Total non-derivatives	106,169,440	24,303,445	43,560,017	6,937,808	180,970,710
Derivatives					
Gross settled (forward foreign exchange contracts)					
— (inflow)	(110,231)	-	-	-	(110,231)
— outflow	108,623	363,722	-	-	472,345
Financial liabilities for put options	113,560	-	-	-	113,560
	111,952	363,722	-	-	475,674
	106,281,392	24,667,167	43,560,017	6,937,808	181,446,384

* Excluding staff welfare benefit payable, other taxes payable and advance from disposal of equity interests.

(e) Price risk*Exposure*

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the consolidated statement of financial position as financial assets at FVPL.

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

The Group is also exposed to equity price risk arising from changes in the price of a subsidiary's own shares to the extent that the subsidiary's own equity investments underlie the fair values of derivatives. As at the end of the reporting period, the Group was exposed to this risk through the conversion rights attached to the exchangeable bonds (note 32) issued by a subsidiary of the Group.

48 Financial risk management objectives and policies (continued)

(e) Price risk (continued)

Sensitivity

The table below summarises the impact of increases/(decreases) of price of the stocks, which the Group purchased, on the Group's post-tax profit for the period. The analysis is based on that the stock price increased by 5% and 10% respectively or decreased by 5% and 10% with all other variables held constant, and that all the Group's equity instruments moved in line with the indexes.

	Impact on post-tax profit	
	2022 RMB'000	2021 RMB'000
Price of each stock — increase by 5%	62	92,517
Price of each stock — decrease by 5%	(62)	(92,517)
Price of each stock — increase by 10%	123	185,034
Price of each stock — decrease by 10%	(123)	(185,034)

Post-tax profit for the year would increase/(decrease) as a result of gains/(losses) on equity securities classified as at FVPL.

(f) Capital management

The Group's objectives of capital management are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the unnecessary cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of any returns to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors its capital structure on a basis of gearing ratio. This ratio is calculated as net borrowings divided by total equity as shown in the consolidated statement of financial position. Net borrowings are calculated as total borrowings (including current and non-current borrowings as shown in the consolidated statement of financial position) less total of cash and cash equivalents and restricted cash.

48 Financial risk management objectives and policies (continued)

(f) Capital management (continued)

	2022 RMB'000	2021 RMB'000
Total borrowings (note 32)	59,486,289	83,874,045
Less: cash and cash equivalents (note 28) restricted cash (note 27)	(8,463,079) (7,628,349)	(22,802,716) (15,617,768)
Net borrowings	43,394,861	45,453,561
Total equity	75,726,863	89,431,277
Gearing ratio	57.3%	50.8%

49 Events after the reporting period

- (a) During January 2023, the Company implemented top-up placing of existing shares and subscription of new shares under general mandate, a total of 219,500,000 placing shares have been placed and subscribed at the price of HK\$2.25 per placing share on 13 January 2023 and 18 January 2023, respectively.
- (b) A wholly-owned subsidiary of the Company, publicly issued the first tranche of 2023 medium-term notes in the PRC on 18 January 2023, with an aggregate principal amount of RMB1,200,000,000 for a term of three years and coupon rate of 4.7%, which are fully guaranteed by China Bond Insurance Co., Ltd. (中債信用增進投資股份有限公司) with irrevocable joint and several liability.

50 Statement of financial position of the company

	As at 31 December	
	2022 RMB'000	2021 RMB'000
Assets		
Non-current assets		
Investments in subsidiaries	448,520	448,520
Total non-current assets	448,520	448,520
Current assets		
Amounts due from subsidiaries	68,434,512	66,821,634
Other receivables and prepayments	174,599	156,906
Cash and cash equivalents	43,779	324,084
Financial assets at fair value through profit or loss	-	1,607
Total current assets	68,652,890	67,304,231
Total assets	69,101,410	67,752,751
Equity		
Equity attributable to shareholders of the Company		
Share capital and premium	4,705,778	3,421,883
Shares held for Share Award Scheme	(156,588)	(156,588)
Retained earnings	2,928,414	1,863,340
	7,477,604	5,128,635
Perpetual Capital Securities	13,224,477	13,015,124
Total equity	20,702,081	18,143,759
Liabilities		
Non-current liabilities		
Borrowings	16,227,818	19,371,394
Financial liabilities at fair value through profit or loss	158,634	363,722
Total non-current liabilities	16,386,452	19,735,116
Current liabilities		
Borrowings	9,188,707	16,573,154
Amounts due to subsidiaries	22,057,410	12,917,523
Other payables and accruals	766,760	383,199
Total current liabilities	32,012,877	29,873,876
Total liabilities	48,399,329	49,608,992
Total equity and liabilities	69,101,410	67,752,751

Chen Zhuo Lin
Chairman

Chan Cheuk Hung
Director

50 Statement of financial position of the company (continued)

Note:

A summary of the Company's reserves is as follows:

	Retained earnings RMB'000
For the year ended 31 December 2022	
Balance at 1 January 2022	1,863,340
Profit for the year	1,065,074
Balance at 31 December 2022	2,928,414
For the year ended 31 December 2021	
Balance at 1 January 2021	2,064,961
Profit for the year	3,390,371
Dividends	(3,591,992)
Balance at 31 December 2021	1,863,340

51 Approval of financial statements

The financial statements were approved and authorised for issue by the board of directors on 30 March 2023.

Consolidated statements of financial position

	2022 RMB'000	2021 RMB'000	2020 RMB'000	2019 RMB'000	2018 RMB'000
ASSETS					
Non-current assets	93,268,932	98,698,937	93,269,661	82,467,376	63,537,676
Current assets	180,113,283	217,860,802	220,495,397	190,764,449	166,908,111
Total assets	273,382,215	316,559,739	313,765,058	273,231,825	230,445,787
EQUITY AND LIABILITIES					
Total equity	75,726,863	89,431,277	76,969,722	65,336,476	54,980,933
Non-current liabilities	45,400,127	63,683,953	68,184,764	60,227,794	55,086,714
Current liabilities	152,255,225	163,444,509	168,610,572	147,667,555	120,378,140
Total liabilities	197,655,352	227,128,462	236,795,336	207,895,349	175,464,854
Total equity and liabilities	273,382,215	316,559,739	313,765,058	273,231,825	230,445,787

Consolidated statements of profit or loss

	2022 RMB'000	2021 RMB'000	2020 RMB'000	2019 RMB'000	2018 RMB'000
Operation					
Revenue	54,034,327	73,027,763	80,245,252	60,239,097	56,144,926
Cost of sales	(53,033,344)	(54,006,694)	(56,142,868)	(41,881,111)	(31,471,009)
Gross profit	1,000,983	19,021,069	24,102,384	18,357,986	24,673,917
Selling and marketing costs	(1,232,913)	(3,102,342)	(2,384,710)	(2,026,178)	(2,318,044)
Administrative expenses	(4,305,384)	(4,004,139)	(5,234,723)	(3,998,883)	(2,909,554)
Net impairment losses on financial and contract assets	(1,687,410)	(500,245)	(566,679)	(149,574)	(97,250)
Other income and gains, net	2,269,787	6,695,810	5,418,494	6,084,701	3,026,287
Impairment losses on investments accounted for using the equity method	(1,401,226)	(313,733)	(8,214)	-	-
Other expenses	(1,156,477)	(279,393)	(400,044)	(228,300)	(257,002)
Finance cost, net	(6,512,640)	17,517,027	20,926,508	18,039,752	22,118,354
Share of profits and losses of investments accounted for using the equity method	(757,452)	794,239	1,585,630	1,086,246	27,098
(Loss)/profit before income tax	(10,371,929)	16,896,829	21,471,928	16,596,174	19,401,099
Income tax expenses	(3,001,356)	(7,798,792)	(9,223,051)	(7,362,928)	(11,043,282)
(Loss)/profit for the year	(13,373,285)	9,098,037	12,248,877	9,233,246	8,357,817
(Loss)/profit attributable to:					
Shareholders of the Company	(14,981,154)	6,712,036	9,474,597	7,511,794	7,125,007
Holders of Perpetual Capital Securities	995,305	983,860	1,083,780	850,225	676,906
Non-controlling interests	612,564	1,402,141	1,690,500	871,227	555,904
	(13,373,285)	9,098,037	12,248,877	9,233,246	8,357,817
Earnings per share from continuing operations attributable to the shareholders of the Company for the year (expressed in Renminbi per share)					
— Basic	(3.827)	1.729	2.440	1.935	1.835
— Diluted	(3.827)	1.729	2.440	1.935	1.835

Board of Directors

Mr. Chen Zhuo Lin* (*Chairman and President*)
 Mr. Chan Cheuk Yin** (*Vice Chairperson*)
 Madam Luk Sin Fong, Fion** (*Vice Chairperson*)
 Mr. Chan Cheuk Hung*
 Mr. Huang Fengchao*
 Mr. Chan Cheuk Hei**
 Mr. Chan Cheuk Nam**
 Dr. Cheng Hon Kwan# *GBS, OBE, JP*
 Mr. Kwong Che Keung, Gordon#
 Mr. Hui Chiu Chung, Stephen# *JP*
 Mr. Wong Shiu Hoi, Peter#

* Executive Directors

** Non-executive Directors

Independent Non-executive Directors

Board Committees

Audit Committee

Mr. Kwong Che Keung, Gordon (*Committee Chairperson*)
 Dr. Cheng Hon Kwan *GBS, OBE, JP*
 Mr. Hui Chiu Chung, Stephen *JP*
 Mr. Wong Shiu Hoi, Peter

Remuneration Committee

Dr. Cheng Hon Kwan *GBS, OBE, JP* (*Committee Chairperson*)
 Mr. Kwong Che Keung, Gordon
 Mr. Hui Chiu Chung, Stephen *JP*
 Mr. Wong Shiu Hoi, Peter
 Madam Luk Sin Fong, Fion

Nomination Committee

Mr. Hui Chiu Chung, Stephen *JP* (*Committee Chairperson*)
 Dr. Cheng Hon Kwan *GBS, OBE, JP*
 Mr. Kwong Che Keung, Gordon
 Mr. Wong Shiu Hoi, Peter
 Madam Luk Sin Fong, Fion

Risk Management Committee

Mr. Huang Fengchao (*Committee Chairperson*)
 Mr. Chan Cheuk Hung
 Mr. Wong Shiu Hoi, Peter

Company Secretary

Mr. Ng Wai Hung

Authorised Representatives

Mr. Chen Zhuo Lin
 Mr. Ng Wai Hung

Auditor

Ernst & Young
 Certified Public Accountants
 Registered Public Interest Entity Auditor

Legal Advisors

as to Hong Kong law:

Sidley Austin LLP
 lu, Lai & Li Solicitors & Notaries

as to PRC law:

Jingtian & Gongcheng

as to BVI and Cayman Islands laws:

Conyers Dill & Pearman

as to US and English laws:

Sidley Austin LLP

Principal Bankers

Industrial and Commercial Bank of China Limited
 Agricultural Bank of China Limited
 Bank of China Limited
 China Construction Bank Corporation
 China Minsheng Banking Corp., Ltd.
 Shanghai Pudong Development Bank Co., Ltd.
 China Guangfa Bank Co., Ltd.
 China CITIC Bank Corporation Limited
 The Bank of East Asia, Limited
 The Hongkong and Shanghai Banking Corporation Limited
 Hang Seng Bank Limited
 Chong Hing Bank Limited



Registered Office

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal Place of Office in the PRC

33/F., Agile Center
26 Huaxia Road
Zhujiang New Town
Tianhe District, Guangzhou
Guangdong Province
PRC
Postal Code: 510623

Principal Place of Business in Hong Kong

Suites 1801-1806, 18/F.
Three Pacific Place
1 Queen's Road East
Hong Kong

Principal Share Registrar and Transfer Office

Suntera (Cayman) Limited
Suite 3204, Unit 2A
Block 3, Building D
P.O. Box 1586
Gardenia Court
Camana Bay
Grand Cayman, KY1-1100
Cayman Islands

Branch Share Registrar and Transfer Office in Hong Kong

Tricor Investor Services Limited
17/F., Far East Finance Centre
16 Harcourt Road
Hong Kong
Telephone : (852) 2980 1333
Facsimile : (852) 2861 1465

Investor Relations

Capital Markets Department
E-mail : ir@agile.com.cn
Telephone : (852) 2847 3383
Facsimile : (852) 2780 8822

Website

www.agile.com.cn



Listing Information

A Equity Securities

- (1) The Company's ordinary shares (stock code: 3383) are listed on the Main Board of Hong Kong Stock Exchange.
- (2) A-Living's H shares (stock code: 3319) are listed on the Main Board of Hong Kong Stock Exchange.
- (3) Qingdao Huaren Property Co., Ltd.^ (青島華仁物業股份有限公司) (a direct non-wholly owned subsidiary of A-Living)'s ordinary shares (stock code: 832319) are listed on the National Equities Exchange and Quotations.

B Debt Securities

- (1) The Company's debt securities listed on the Official List of SGX:
 - (i) US\$314 million 5.5% senior notes due 2025 (ISIN code: XS2361426559)
 - (ii) US\$500 million 5.75% senior notes due 2025 (ISIN code: XS2194361494)
 - (iii) US\$483 million 6.05% senior notes due 2025 (ISIN code: XS2243343204)
 - (iv) US\$450 million 5.5% senior notes due 2026 (ISIN code: XS2343627712)
- (2) The Company's debt securities listed on the Shanghai Stock Exchange:
 - (i) RMB1,200 million initial 5.7% non-public domestic corporate bonds due 2023 (corporate bond code: 135883)
- (3) The debt securities of Guangzhou Panyu Agile Realty Development Co., Ltd.^ (廣州番禺雅居樂房地產開發有限公司) (an indirect wholly-owned subsidiary of the Company incorporated in China) listed on the Shanghai Stock Exchange:
 - (i) RMB1,450 million initial 5.9% public domestic corporate bonds due 2024 (corporate bond code: 175934) (RMB10.124 million of which has been repurchased on 10 April 2023)
 - (ii) RMB500 million initial 7.5% public domestic corporate bonds due 2025 (corporate bond code: 115100)
 - (iii) RMB200 million initial 5% public domestic corporate bonds due 2025 (corporate bond code: 115101)
- (4) The debt securities of Farsail Goldman International Limited (遠航金門國際有限公司) (an indirect wholly-owned subsidiary of the Company incorporated in the British Virgin Islands) listed on the Official List of SGX:
 - (i) HK\$2,418 million 7% exchangeable bonds due 2026 (ISIN code: XS2406577911)



C Capital Securities

The Company's capital securities listed on the Official List of SGX:

- (1) US\$500 million initial 6.875% senior perpetual capital securities (ISIN code: XS1785422731)
- (2) US\$700 million initial 8.375% senior perpetual capital securities (ISIN code: XS2003471617)
- (3) US\$500 million initial 7.875% senior perpetual capital securities (ISIN code: XS2071413483)
- (4) US\$200 million initial 7.75% senior perpetual capital securities (ISIN code: XS2081524675)

Financial Calendar

Unaudited interim results announcement	30 August 2022
Audited annual results announcement	30 March 2023
Forthcoming AGM	25 May 2023

Closure of Register of Members and Other Key Dates

The Company's register of members will be closed during the following periods:

To determine the identity of Shareholders who are entitled to attend and vote at the Forthcoming AGM

Latest time for lodging transfer documents of shares	:	4:30 p.m. on Friday, 19 May 2023
Period of closure of register of members	:	Monday, 22 May 2023 to Thursday, 25 May 2023 (both dates inclusive)
Record Date	:	Thursday, 25 May 2023

To qualify for attending and voting at the Forthcoming AGM, all properly completed transfer forms accompanied by the share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than the latest time for lodging transfer document of shares.

Annual General Meeting

The Forthcoming AGM will be held on Thursday, 25 May 2023. Notice of the Forthcoming AGM will be set out in the Company's circular dated 24 April 2023 and will be despatched together with this annual report to the Shareholders. Notice of the Forthcoming AGM and the proxy form will also be published on the Company's website (www.agile.com.cn) and Hong Kong Stock Exchange's website (www.hkex.com.hk). The said notice will also be published on SGX's website (www.sgx.com).



Despatch of Corporate Communications

This annual report is available in both Chinese and English versions. Printed copies in either or both languages will be delivered to Shareholders in accordance with their indicated preference. This annual report is also published on the Company's website (www.agile.com.cn), Hong Kong Stock Exchange's website (www.hkex.com.hk) and SGX's website (www.sgx.com). Registered Shareholders may at any time choose to change their choice of language or means of receipt of the Company's corporate communications free of charge by filling the specified forms and send to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited. For Shareholders whose Shares are being held through brokers or custodians, they should inform their respective brokers or custodians to effect the change.

For environment protection reasons, the Company encourages Shareholders to view this annual report posted on the aforesaid websites.

^ *for identification purposes only*



Agile or Company	Agile Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of Hong Kong Stock Exchange
Articles	the Articles of Association of the Company
A-Living	A-Living Smart City Services Co., Ltd.^ (雅生活智慧城市服務股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H shares of which are listed on the Main Board of Hong Kong Stock Exchange (stock code: 3319), and an indirect non-wholly owned subsidiary of the Company
BBS	Bronze Bauhinia Star
Board	board of Directors of the Company
BVI	British Virgin Islands
CG Code	Corporate Governance Code contained in Part 2 of Appendix 14 to the Listing Rules
Changjiang Hotel Company	Zhongshan Agile Changjiang Hotel Co., Ltd.^ (中山雅居樂長江酒店有限公司), a company incorporated in the PRC with limited liability
Chen's Family Trust	a family trust established by Top Coast as former trustee and the beneficiaries of which are the Founding Shareholders
China or PRC	The People's Republic of China. For the purpose of this annual report, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan region connected person has the meaning ascribed to it under the Listing Rules
Directors	directors of the Company
Employee Share Trustee	Bank of Communications Trustee Limited
ESG	environmental, social and governance
Forthcoming AGM	annual general meeting of the Company to be held on 25 May 2023
Founding Shareholders	Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Madam Luk Sin Fong, Fion, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam
Full Choice	Full Choice Investments Limited, a company incorporated in Hong Kong with limited liability on 8 August 2016, being the current trustee of Chen's Family Trust





GBS	Gold Bauhinia Star
GFA	gross floor area
Group	the Company and its subsidiaries
HK\$/HKD	Hong Kong dollar(s), the lawful currency of Hong Kong
HKAS	Hong Kong Accounting Standards
Hong Kong	Hong Kong Special Administrative Region of the PRC
Hong Kong Companies Ordinance	Companies Ordinance (Chapter 622 of the laws of Hong Kong)
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
HSBC	The Hongkong and Shanghai Banking Corporation Limited
INED(s)	Independent non-executive Director(s) of the Company
JP	Justice of the Peace
Last AGM	annual general meeting of the Company held on 28 June 2022
Listing Rules	The Rules Governing the Listing of Securities on Hong Kong Stock Exchange
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules
NED(s)	Non-executive Director(s) of the Company
OBE	Officer of British Empire
RMB	Renminbi, the lawful currency of PRC
Securities Dealing Code for Directors	A code for securities transactions by Directors adopted by the Company
SFO	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
Share(s)	ordinary share(s) of HK\$0.10 each in the share capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time)
Share Award Scheme	a share award scheme adopted by the Company on 10 December 2013



Shareholder(s)	holder(s) of Shares
SGX	Singapore Exchange Securities Trading Limited
Top Coast	Top Coast Investment Limited, a company incorporated in BVI with limited liability on 17 May 2005, being the former trustee of Chen's Family Trust
US	United States of America
US\$/USD	United States dollar(s), the lawful currency of US
%	per cent
^	<i>for identification purposes only</i>



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